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INVESTIGATION OF TELEVISION QUIZ SHOWS

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON

**INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES**

EIGHTY-SIXTH CONGRESS

FIRST SESSION

NOVEMBER 2, 3, 4, 5, AND 6, 1959

PART 2

Printed for the use of the Committee on Interstate and Foreign Commerce



325

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INVESTIGATION OF TELEVISION QUIZ SHOWS

MONDAY, NOVEMBER 2, 1959

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON LEGISLATIVE OVERSIGHT
OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The special subcommittee met at 10 a.m., in the caucus room, Old House Office Building, Hon. Oren Harris (chairman) presiding.

Present: Representatives Harris (presiding), Mack of Illinois, Rogers of Texas, Flynt, Moss, Bennett of Michigan, Springer, Derouanian, and Devine.

Also present: Robert W. Lishman, counsel to the subcommittee; Beverly M. Coleman, subcommittee principal attorney; Charles P. Howze, subcommittee attorney; Richard N. Goodwin, subcommittee special consultant; Herman Clay Beasley, subcommittee clerk; and Jack Marshall Stark, minority counsel.

The CHAIRMAN. The committee will be in order.

Mr. Charles Van Doren.

TESTIMONY OF CHARLES VAN DOREN, ACCCOMPANIED BY HIS ATTORNEY, CARL J. RUBINO

Mr. VAN DOREN. Yes, sir.

The CHAIRMAN. Mr. Van Doren, will you be sworn, please, sir?

Do you solemnly swear the testimony you give to this committee to be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. VAN DOREN. I do.

The CHAIRMAN. Have a seat, Mr. Van Doren.

On October 6, when the committee opened hearings on the problems of television quiz shows and the program in connection therewith, as chairman of the Subcommittee on Legislative Oversight, I made a statement in which I stated the purpose of the hearings and something about the programs. That statement is in the record and, therefore, the purpose of the hearings is well known; and, Mr. Van Doren, you are advised that the purpose of these hearings are already fully stated in the record.

I received a wire from you on the morning of October 7, requesting that it be read into the record. You are familiar with the wire?

Mr. VAN DOREN. Yes.

The CHAIRMAN. There was a reply that afternoon, late, which you received either that evening or the next morning, undoubtedly. The reply was read into the record. As a result you are now here to testify.

I observe in the first place you have your attorney with you.
Mr. VAN DOREN. Yes.

The CHAIRMAN. Let the record show that Mr. Carl J. Rubino is appearing with you as your counsel to advise you of your constitutional rights as provided for in the House rules.

I again caution that the rules provide for him to appear for the purpose of advising you of your rights and not testify for you.

I am also advised that you have a statement which you would prefer to read at the outset.

Mr. VAN DOREN. Yes, sir.

The CHAIRMAN. I think the request would be reasonable and therefore probably the best procedure would be to permit you to proceed with your statement at this point.

Mr. VAN DOREN. Thank you, sir.

The CHAIRMAN. You may proceed.

Mr. VAN DOREN. May I ask first, sir, if I may have a glass of water. I am sorry to bother you.

I would give almost anything I have to reverse the course of my life in the last 3 years. I cannot take back one word or action; the past does not change for anyone. But at least I can learn from the past.

I have learned a lot in those 3 years, especially in the last 3 weeks. I've learned a lot about life. I've learned a lot about myself, and about the responsibilities any man has to his fellow men. I've learned a lot about good and evil. They are not always what they appear to be. I was involved, deeply involved, in a deception. The fact that I, too, was very much deceived cannot keep me from being the principal victim of that deception, because I was its principal symbol.

There may be a kind of justice in that. I don't know. I do know, and I can say it proudly to this committee, that since Friday, October 16, when I finally came to a full understanding of what I had done and of what I must do, I have taken a number of steps toward trying to make up for it.

I have a long way to go. I have deceived my friends, and I had millions of them. Whatever their feeling for me now, my affection for them is stronger today than ever before. I am making this statement because of them. I hope my being here will serve them well and lastingly.

Since October 16 I have informed my immediate family of the facts I will disclose today. I have appeared before District Attorney Hogan and Assistant District Attorney Stone and told them that my testimony before the grand jury last January was not in accord with the fact. And I appear before you today prepared to tell the whole truth about my association with the quiz program "Twenty-one."

Let me start at the very beginning. A friend first suggested that I might apply to be a contestant on "Tie-Tac-Dough," and told me the address of the producers, Barry & Enright, Inc. I have always had a good memory, and I had a reputation among my friends for a wide range of knowledge and for being good at quizzes of all sorts. I hesitated for several weeks and finally went to the office and applied.

I was given an examination which I passed easily. I was then given a much longer and harder one, the purpose of which I did not know, but which I also completed. I left the office and was told that I would

be called if wanted. In the hall outside I met Albert Freedman, whom I had met socially two or three times. He told me that he was the producer of "Tic-Tac-Dough" and I said that I had applied to be a contestant.

I was called the next week and told that I had been chosen to be a contestant on "Twenty-one," a program of which I had never heard. I learned that "Twenty-one" was Barry & Enright's new nighttime quiz show, and that it was supposedly an honor to be so chosen. I returned to the office and was instructed in the rules of "Twenty-one" by, I think, Daniel Enright.

Following orders, I came to the studio several hours before air time. I worked hard at memorizing lists of facts and figures, and carried with me a book of facts. I was frightened and excited. I did not appear on the program that night, which was, I believe, November 7, 1956. I continued to be a standby contestant for 2 more weeks.

Before my first actual appearance on "Twenty-one" I was asked by Freedman to come to his apartment. He took me into his bedroom where we could talk alone. He told me that Herbert Stempel, the current champion, was an unbeatable contestant because he knew too much. He said that Stempel was unpopular, and was defeating opponents right and left to the detriment of the program. He asked me if, as a favor to him, I would agree to make an arrangement whereby I would tie Stempel and thus increase the entertainment value of the program.

I asked him to let me go on the program honestly, without receiving help. He said that was impossible. He told me that I would not have a chance to defeat Stempel because he was too knowledgeable. He also told me that the show was merely entertainment and that giving help to quiz contests was a common practice and merely a part of show business. This of course was not true, but perhaps I wanted to believe him. He also stressed the fact that by appearing on a nationally televised program I would be doing a great service to the intellectual life, to teachers and to education in general, by increasing public respect for the work of the mind through my performances. In fact, I think I have done a disservice to all of them. I deeply regret this, since I believe nothing is of more vital importance to our civilization than education. Whenever I hesitated or expressed uneasiness at the course events were taking during my time on the program the same sort of discussion ensued, and, foolishly and wrongly, I persuaded myself that it was all true. Freedman guaranteed me \$1,000 if I would appear for one night. I will not bore this committee by describing the intense moral struggle that went on inside me. I was sick at heart. Yet the fact is that I unfortunately agreed, after some time, to his proposal.

I met him next at his office, where he explained how the program would be controlled. He told me the questions I was to be asked, and then asked if I could answer them. Many of them I could. But he was dissatisfied with my answers. They were not "entertaining" enough. He instructed me how to answer the questions: to pause before certain of the answers, to skip certain parts and return to them, to hesitate and build up suspense, and so forth. On this first occasion and on several subsequent ones he gave me a script to memorize, and before the program he took back the script and rehearsed me in my

part. This the general method which he used throughout my 14 weeks on "Twenty-one." He would ask me the questions beforehand. If I could not answer them he would either tell me the answers or, if there was sufficient time before the program, which was usual, he would allow me to look them up myself. A foolish sort of pride made me want to look up the answers when I could, and to learn as much about the subject as possible. When I could answer the questions right off he would tell me that my answers were not given in an entertaining and interesting way, and he would then rehearse me in the manner in which I was to act and speak.

After the first program, on which I tied Stempel three times, Freedman told me that I would win the next evening and be the new champion. My guarantee was increased to \$8,000. I again agreed to play, and I did defeat Stempel. At this point my winnings totaled \$20,000. For the next 12 programs I continued to play in this manner, Freedman guaranteeing that I would end up winning no less than a certain amount.

I was deeply troubled by the arrangement. As time went on the show ballooned beyond my wildest expectations. I had supposed I would win a few thousand dollars and be known to a small television audience. But from an unknown college instructor I became a celebrity. I received thousands of letters and dozens of requests to make speeches, appear in movies, and so forth—in short, all the trappings of modern publicity. To a certain extent this went to my head. I was almost able to convince myself that it did not matter what I was doing because it was having such a good effect on the national attitude to teachers, education, and the intellectual life. At the same time I was winning more money than I had ever had or even dreamed of having. I was able to convince myself that I could make up for it after it was over. Again, I do not wish to emphasize my mental and moral struggles. Yet the public renown also made me terribly uncomfortable. I hoped people would not think I could do nothing besides stand in an isolation booth and answer questions. I realized that I was really giving a wrong impression of education. True education does not mean the knowledge of facts exclusively. I wrote articles trying to express this feeling, but few were interested. Instead I was referred to as a "quiz-whiz," a "human book of knowledge," a "walking encyclopedia." I wanted to be a writer and a teacher of literature. I seemed to be moving farther and farther away from that aim.

I didn't know what to do nor where to turn and, frankly, I was very much afraid. I told Freedman of my fears and misgivings, and I asked him several times to release me from the program. At the end of January 1957, when I had appeared 8 or 10 times, I asked him once more to release me, and this time more strongly. He agreed to allow me to stop, but it was some time before it could be arranged. He told me that I had to be defeated in a dramatic manner. A series of ties had to be planned which would give the program the required excitement and suspense. On February 18 I played a tie with Mrs. Vivian Nearing, and the following week played two more ties with her. Freedman then told me that she was to be my last opponent, and that I would be defeated by her. I thanked him. He told me that I would have to play twice more after February 25. The next pro-

gram was on March 11. When I arrived at the studio Freedman told me that since there were now only three programs a month, this was not time enough to "build up" another contestant and so I was to lose that very night. I said: "Thank God." Mrs. Nearing defeated me in the first game played that night. My total winnings after 14 appearances were \$129,000.

I received \$124,000 after my defeat. Before Christmas, 1956, I had received an advance of \$5,000 against my minimum guarantee, which was at that time, I believe, \$15,000. The check was given me by Enright, who wished me "Merry Christmas" when he handed it to me. Enright and I never discussed the contents of any particular program, but I assumed that he knew what was going on. He generally avoided speaking to me. But on the last night he came into my dressing room and said, I believe in the presence of Freedman: "As soon as it's over come right back to the dressing room so as not to interrupt the program. We can meet the press after the show is over." I thus assume he must have known.

One result of my appearance on "Twenty-one" was a contract with NBC. I hoped this would give me the chance to do something else besides answer questions in an isolation booth. I never wanted to see another quiz show. The opportunity came in October 1958, when I was assigned to the Dave Garroway program. I am grateful to Mr. Garroway and to NBC for letting me appear on this program for a year and talk for 5 minutes every morning about some subject which I considered interesting and important. I spoke about science, poetry, history, and famous people, as well as many other things. At least once a week during my 5 minutes I read poetry and talked about it as I would do to a Columbia class. I think I may be the only person who ever read 17th century poetry on a network television program—a far cry from the usual diet of mayhem, murder, and rape. I hoped that television viewers would judge me on what I did on the "Garroway Show" and forget my role on "Twenty-one."

All the time I was appearing on television I continued to teach at Columbia. People told me I was impractical to do so, but teaching seemed to me much more important. I had always wanted to be a teacher, and I hoped to be one when my quiz show experience was forgotten. I completed the requirements for a Ph. D. last spring, and on July 1, I was made an assistant professor of English. This was the fulfillment of a lifelong desire. I hoped that it would be possible to slide slowly from my public life back to the life of teaching and writing that I had always wanted. But things didn't work out that way.

In August 1958, Stempel and others charged that some quiz show, including "Twenty-one," had been rigged. I was at that time appearing on the Garroway program as a replacement for Mr. Garroway, who was on vacation. The news of Stempel's charges was like a blow, I was horror-struck. I have said I received many letters. Thousands were from teachers all over the country. Thousands more were from schoolchildren and students. All expressed their faith in me, their hope for the future, their dedication to knowledge and education. These letters and all they stood for were like a vast weight. I could not bear to betray that faith and hope. I felt that anything that might happen to me was preferable to betraying them. I felt that I carried

the whole burden of the honor of my profession. And so I made a statement on the Garroway program the next morning to the effect that I knew of no improper activities on "Twenty-one" and that I had received no assistance. I knew that most people would believe me. Most people did. I honestly thought I was doing the right thing.

I was, of course, very foolish. I was incredibly naive. I couldn't understand why Stempel should want to proclaim his own involvement. I could hardly believe what he said, though I knew it must be true, from my own experience. In a sense, I was like a child who refuses to admit a fact in the hope that it will go away. Of course, it did not go away, and an investigation was begun by the office of the district attorney of New York.

I was called by Mr. Joseph Stone of that office and was interrogated. I denied any knowledge of improper activities. After my interview with Mr. Stone, I engaged a lawyer. Carl Rubino. In my folly, I did not even tell him the truth. I supposed that an attorney could defend me if he did not know what I had done. I appeared before the grand jury in January 1959, and still denied any involvement. I guess I did not fully understand the seriousness of this action, but even if I had, I am not sure I would have been physically able to admit what I had done.

Before my testimony I had lunch with Freedman. He asked me not to reveal the facts, since he had already appeared and denied any involvement on his part. I told him I would not, because I could not bear to have my family, my friends, and the general public know I had deceived them. Freedman said that I had nothing to fear, because he said, "They can break my legs." Enright also came to see me, in my apartment, before my grand jury appearance. He was greatly upset, but he assured me again that I had nothing to fear, for, he said, everyone in his organization would "die" for him.

In August of this year, I was interviewed by investigators of this committee. They told me that there was grand jury testimony which conflicted with mine, but at first they did not tell me what it was. I learned the week before these public hearings began that Freedman had returned to the grand jury after my testimony, changed his story, and implicated me. Freedman has suffered this year, too. I had been living in dread for nearly 3 years; now I became almost panicstricken, but I still denied to the investigators that I had been involved. I felt I just could not admit it. Committee's counsel, Robert Lishman and Richard Goodwin tried to make me see that my folly was only leading me in deeper and deeper, but I persisted in it.

On October 6, the hearings began. I was involved in them from the first. On that Tuesday evening I was told by NBC that if I did not immediately send a telegram to the committee demanding the right to be heard, I would be suspended, and that my refusal would probably constitute a breach of my contract. My life and career, it appeared, were being swept away in a flood. I tried to save whatever part seemed in the most immediate danger. First, I hoped to save the contract. I was just unable to walk out and slam the door on a \$50,000 a year job, a job which I enjoyed and thought extremely important. But, I was to lose things of greater value as time went on.

I still was unable to tell even my attorney the whole truth. However, we asked NBC not to demand that I send a telegram. They

were adamant. They did agree to accept the telegram I sent. I desperately hoped that this telegram would serve two purposes: that is, I hoped it would satisfy NBC, and that at the same time the committee would understand that it was not an act of defiance.

On Thursday, October 8, the chairman replied to my telegram and offered me the opportunity to testify. But, in the meantime, I had told Mr. Rubino the whole story. He concluded that Freedman and Enright might well be standing by to testify against me. Also, on the preceding Tuesday night, I had told NBC officials more of the truth than I had ever told them before, but still not the whole truth. This information was sent to the committee in such a way as to make my actions seem even more mystifying. Thus, I could not face the situation on Thursday night. I was completely confused and dismayed. I did not know what to do. Since I had been relieved from my assignment on the Garroway show the same day, I asked Columbia if I might miss the following day's class. The university offered me a week's leave of absence, and I simply ran away. There were a dozen newsmen outside my door, and I was running from them, too. I couldn't think when everywhere I went there were people trying to interview me and flashing bulbs in my face. Most of all, I was running from myself. I realized that I had been doing it for a long time. I had to find a place where I could think, in peace and quiet. I knew now that I could not lie any more, nor did I want to. But, I was not yet at the point where I could tell the whole story. My wife and I drove up into New England. I drove aimlessly from one town to another, trying to come to some conclusion. But I still could not face up to what I had done.

I returned to New York on Tuesday, October 13, and the next day, the 14th, by arrangement between Mr. Lishman and Mr. Rubino, I was served with a subpoena by a representative of the committee. I spent the rest of the week trying hopelessly to seek a way out. There was no way, but even though my mind knew there was none, I could not face the prospect emotionally.

There was one way out which I had, of course, often considered, and that was simply to tell the truth. But, as long as I was trying to protect only myself and my own reputation, and, as I thought, the faith people had in me, I could not believe that was possible. But I was coming closer and closer to a true understanding of my position. I was beginning to realize what I should have known before, that the truth is always the best way, indeed it is the only way, to promote and protect faith. And the truth is the only thing with which a man can live. My father had told me this, even though he did not know the truth in my case. I think he didn't care what it was so long as I told it. Other people said the same thing, even though they, too, did not know what the truth was. In the end, it was a small thing that tipped the scales. A letter came to me which I read. It was from a woman, a complete stranger, who had seen me on the Garroway show and who said she admired my work there. She told me that the only way I could ever live with myself, and make up for what I had done—of course, she, too, did not know exactly what that was—was to admit it, clearly, openly, truly.

Suddenly, I knew she was right. And this way, which had seemed for so long the worst of all possible alternatives, suddenly became the

only one. Whatever the personal consequences, and I knew they would be severe, this was the only way. In the morning, I telephoned my attorney and told him my decision. He had been very worried about my health and, perhaps, my sanity, and he was happy that I had found courage at last. He said, "God bless you."

The CHAIRMAN. Mr. Van Doren, I want to compliment you for the statement that you have made here this morning. Those of us who have been involved with this investigation over a period of time, originating a little more than a year ago—about the time the grand jury started its investigation in New York—I felt it advisable for our subcommittee not to interfere with that investigation, and therefore wait until they had concluded.

Those of us who have known a great deal about this problem over this period of time can, I think, appreciate more than the average person the statement that you have made here today. So you are to be complimented for revealing the truth and the facts.

Mr. Lishman, I think, has a few questions of a clarifying nature, which he would like to ask of you.

Mr. LISHMAN. Mr. Van Doren, I would like to join with the chairman in commanding you for the soul-searching fortitude that is displayed in your statement. In view of that statement, which is so complete in exposing the whole sordid mess, I have no questions at this time, Mr. Chairman.

The CHAIRMAN. Mr. Mack.

Mr. MACK. Mr. Chairman, I certainly want to associate myself with the statement you have just made and commend Mr. Van Doren for his testimony this morning.

I do have a couple of questions that I would like to ask.

First of all, I know that you are not officially in the entertainment field. However, I am sure you recognize that your participation in this program more or less vaulted you into that area. Entertainment generally is of concern to many of us, and especially as it affects television.

Many of us wonder, at times, if it is necessary to have a phony arrangement or a deceptive arrangement in order for one to gain this national popularity in our entertainment field, particularly as it relates to television.

I would like to ask if you have any comments you would care to make about that, or any opinion on it?

Mr. VAN DOREN. As far as this program is concerned, sir, I think it would have been a popular program if it had been done honestly. I wish it had been done honestly. I don't know much about show business, about the entertainment business. I don't believe that in any business it is necessary to be dishonest.

Mr. MACK. I certainly hope that you are correct.

One of the other contestants on these shows indicated that he was aware of the fact that you were going to lose at a certain time. He indicated that he was very enterprising, and that, he gained financially at the time.

It would seem to me, if this operation were known to any extent, there would be other enterprising individuals who made similar investments.

I would like to ask you if you have any knowledge of anyone else making a similar investment in the show?

Mr. VAN DOREN. No, I have none.

Mr. MACK. Thank you. I have one other question I would like to ask.

Are you still on the payroll of the National Broadcasting Co.?

Mr. VAN DOREN. I believe that I was as of the time I walked in here. I don't know if I am now.

Mr. MACK. I hope there has been no change in the last hour, and I personally hope there will be no change.

Mr. VAN DOREN. Thank you very much, sir.

Mr. MACK. I was wondering if you had given this a lot of thought since then—I mean since the time we invited you to come before the subcommittee—and I was wondering, since the television and radio stations operate theoretically as a public service and in the public interest, if you feel there is any obligation for them to more or less clear themselves with all the people deceived on these quiz programs, and if they should not offer some public service in addition to the news coverage—some public service time—for the purpose of clarifying this situation.

Mr. VAN DOREN. I don't want to avoid answering that question. I can only say that I think it might involve a greater knowledge of the legal responsibilities of the networks than I have, sir. I believe very strongly in public service programing, and I have been involved in some of it in my 2 years with NBC.

I personally would want to see a lot more. But I think it would probably be presumptuous of me to say what the networks should do in this case.

Mr. MACK. You feel there is an obligation for them to conduct honest programs, do you not?

Mr. VAN DOREN. Of course, I do.

Mr. MACK. Then if they conduct dishonest programs, they should ultimately—it seems to me—on their own, set the record straight and offer some public service time expressly for the purpose of explaining how the people of our country, 100 or 120 million people, have been deceived.

Again, Mr. Van Doren, I want to thank you for your testimony.

The CHAIRMAN. Mr. Van Doren, on page 5 of your statement you stated that Mr. Freedman guaranteed that you would end up winning no less than a certain amount. Are you in a position to state what that amount was?

Mr. VAN DOREN. This amount changed from week to week. It was, as I say, before the first week \$1,000, before the second week \$8,000, and if I remember correctly, it then went to 12, 15, 25. I think it was never discussed after I had been on the program six or eight times. I assumed thereafter that I would receive what I had won on the program. I always assumed that I would receive what I won.

I would say that the last figure that was ever mentioned was \$25,000, as far as I can recall.

The CHAIRMAN. Mr. Bennett.

Mr. BENNETT. Mr. Van Doren, I, too, want to compliment you on your statement. I can appreciate how difficult it must have been for you to have made it, especially at this late a date.

Did the NBC people ask you about this?

Mr. VAN DOREN. When do you mean?

Mr. BENNETT. When they talked to you about the telegram.

Mr. VAN DOREN. They asked me to come down and testify.

Mr. BENNETT. Who discussed it with you at NBC?

Mr. VAN DOREN. Mr. David Levy and Mr. James Stabile.

Mr. BENNETT. Who are they?

Mr. VAN DOREN. Mr. Levy is, I believe, vice president in charge of television programming, and Mr. Stabile is vice president, I believe, in charge of talent negotiations. I am not sure of those titles. There were other people in the office that night, which was Tuesday night, October 6. I am not sure I could give you their names. I had the feeling that this was the wish, the desire of the network as a whole.

Mr. BENNETT. Did they ask you to give them the facts about this or had you previously told them everything about it?

Mr. VAN DOREN. I had previously told them that I knew nothing about it. Of course, I had made the statement on the Garroway program which I described.

Mr. BENNETT. That was after Mr. Stempel made his statement?

Mr. VAN DOREN. Yes.

Mr. BENNETT. But their request was that you come down here to testify?

Mr. VAN DOREN. Yes. Their request was that I write the telegram demanding the right to come down here and testify.

Mr. BENNETT. I suppose it would not be any excuse or any consolation or justification for your part in this, but certainly it seems to me that the people most responsible for this kind of deception are those who produced the program and who apparently were much more experienced in the art of deception than you were.

That is all, Mr. Chairman.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS. Mr. Van Doren, I have listened to many witnesses in both civil and criminal matters, but your statement is the most soul-searching confession I think I have heard in a long time.

Mr. VAN DOREN. Thank you, sir.

Mr. ROGERS. I want to express my appreciation for it. I know it makes you feel much cleaner inside, and it clears up some things I think the people of this country will deeply appreciate.

I think the American people are against corruption but they are for forgiveness when a man comes in and tells the truth. I think you have done it in this case. It took a long time to get you to do it, but when you did, I don't think you left any stones unturned.

There are one or two questions that I want to ask, and they have to do with the network with whom you were associated.

Did you ever at any time talk to any of the officials of that network about the rigging of these TV shows?

Mr. VAN DORN. I talked—after Mr. Stempel's charges were aired or appeared in the newspapers—I talked to Mr. Robert Lewine, and I told him that I had received a \$5,000 advance. I told him otherwise that I had not been involved in any improper activities. He said he was glad to hear that. Until Tuesday night, October 6, I believe that was the only conversation that I had with NBC officials about this matter.

Mr. ROGERS. Did you make any statement—

The CHAIRMAN. Would you yield for just a moment, Mr. Rogers?

Mr. ROGERS. I would be glad to.

The CHAIRMAN. I thought everyone who considered himself or herself a photographer was familiar with the rules. I have tried to caution you heretofore. I do not want to have to take any action that I would not be pleased to take, but I must remind the gentlemen down here in front, of the rules of the House with reference to taking pictures. The photographer is in here, and I must ask him to step aside.

Mr. ROGERS. Mr. Van Doren, did you ever at any time in your recollection have a conversation with one of the officials of the NBC network in which you stated that in your opinion most of these TV shows were fixed—these quiz shows were fixed, but that you were not a party to it?

Mr. VAN DOREN. To the best of my recollection, sir, I did not say that.

Mr. ROGERS. The only recollection you have is the conversation that you related?

Mr. VAN DOREN. Pardon me?

Mr. ROGERS. The conversation you related in answer to my previous question.

Mr. VAN DOREN. No; I had a conversation with Mr. Stabile in which I said to him that it seemed to me that in the opinion of the committee investigators the program "Twenty-one" had been rigged, and other programs, too. I did not, to the best of my recollection, give that as my opinion.

Mr. ROGERS. What did you say as to whose opinion it was?

Mr. VAN DOREN. I was describing the opinion of the committee investigators who had talked to me not long before.

Mr. ROGERS. But you did not express that as your own opinion?

Mr. VAN DOREN. No, sir; I did not.

Mr. ROGERS. Who is this Mr. Stabile?

Mr. VAN DOREN. Mr. James Stabile, vice president in charge, I believe, of talent negotiations.

Mr. ROGERS. But you didn't talk to any NBC officials?

Mr. VAN DOREN. He is an NBC official.

Mr. ROGERS. Did you ever talk to any of the other NBC officials about these shows in any way? Did they ever discuss them with you?

Mr. VAN DOREN. I did speak also in the same week that I spoke to Mr. Lewine to an attorney at NBC. I think it may have been Mr. Ervin. I don't recall. I simply told him what I had told Mr. Lewine, that is to say, that I had received a \$5,000 advance, and I asked him if he thought I should get a lawyer. He said yes, he thought I should.

Mr. ROGERS. Did you ever have any discussion with any of the officials prior to the time Mr. Stempel's testimony came out publicly?

Mr. VAN DOREN. No, sir; I didn't.

Mr. ROGERS. Did any of them ever talk to you about anything, whether it was TV rigging or the rigging of the TV quiz shows, or anything else?

Mr. VAN DOREN. Yes, we talked about plans for me in the network, not a great deal. I have had surprisingly little contact with officials of the NBC network in my 2½ years.

Mr. ROGERS. Who did you talk to about your \$50,000 contract?

Mr. VAN DOREN. That contract was arranged between my agents and NBC. I never talked to anybody about that contract.

Mr. ROGERS. You talked only through your agents?

Mr. VAN DOREN. About the contract, yes. There was a meeting, it would be about April, I think, of 1957, after I had signed the contract. I believe it was the same day I signed it. A meeting to which Mr. Robert Sarnoff came, and several other high officials of the network, and I just met them and we set around in the room and talked about the kinds of things I might do. Nobody had any ideas, and I didn't have any either. It was a long time before NBC could think of anything for me to do, I believe.

Mr. ROGERS. But they signed the contract that day?

Mr. VAN DOREN. I believe it was that day.

Mr. ROGERS. And they agreed to pay you \$50,000 when they did not know what you were going to do?

Mr. VAN DOREN. They knew I was going to appear on the network but they didn't have any specific plan. They had a number of suggestions and we began to talk about them. Not long after that I was assigned to the program, "Wide Wide World," so that was the first thing that I did.

Mr. ROGERS. Did you conclude, Mr. Van Doren, that actually what they were buying was your popularity, created during the "Twenty-one" show?

Mr. VAN DOREN. I am a very diffident man, sir. I was inclined to believe that. However, when I expressed that feeling to my agent he said, "No, that is not true. They think that you can be a very capable and effective performer in certain areas of television."

Mr. ROGERS. Who is your agent, Mr. Van Doren?

Mr. VAN DOREN. Music Corp. of America, NCA Artists, Ltd.

Mr. ROGERS. Who are the individuals that attend to your business?

Mr. VAN DOREN. Mr. Herbert Rosenthal and Mr. Dick Rubin.

Mr. ROGERS. Did they close the contract with NBC?

Mr. VAN DOREN. Yes, as far as I know, they did.

Mr. ROGERS. When did you employ them?

Mr. VAN DOREN. It would be somewhere around the end of February or the beginning of March 1957. I don't remember exactly when.

Mr. ROGERS. That was just a few weeks before your contract?

Mr. VAN DOREN. Yes, it would have been 4 or 5 weeks, 6 weeks, perhaps.

Mr. ROGERS. What prompted you to hire them, Mr. Van Doren?

Mr. VAN DOREN. I was being driven crazy by offers. Every day two or three people wrote me letters or called me up and said, "Wouldn't you like to do this for \$50,000 or do this for \$75,000?" I was offered the lead in two movies. I was offered the chance to go on speaking tours and so forth. I hired MCA as agents really to protect myself. I knew nothing about this business. I didn't want to be in the movies. I didn't want to do most of these things. But I thought I should have an agent to help me in this dilemma.

Mr. ROGERS. Mr. Van Doren, who else connected with the show in any way whatever, besides Mr. Enright and Mr. Freedman, in your opinion, knew what was going on?

Mr. VAN DOREN. I have absolutely no knowledge of anyone else's knowledge about this.

Mr. ROGERS. Your testimony is that you did not discuss it with anyone else, and as far as you know, no one else had anything to do with it except Mr. Freedman and Mr. Enright, insofar as your case personally is concerned?

Mr. VAN DOREN. That is correct, yes, sir.

Mr. ROGERS. Did Mr. Jack Barry at any time discuss it with you?

Mr. VAN DOREN. No, he never did.

Mr. ROGERS. Did you have any indication that he might have known what was going on?

Mr. VAN DOREN. No, I didn't.

Mr. ROGERS. Mr. Van Doren, one further question now. Some witnesses have testified, having taken the position that this was entertainment, that no one was hurt, and everybody was entertained and everybody was making money and it was all right. That is what Mr. Freedman tried to sell you, was it not?

Mr. VAN DOREN. Yes.

Mr. ROGERS. You knew from the beginning, and know now, that it is not a justification or a proper excuse for what happened?

Mr. VAN DOREN. Yes, I know it is not a justification. If no one else was hurt, I was very deeply hurt.

Mr. ROGERS. Thank you very much, Mr. Van Doren.

The CHAIRMAN. Mr. Springer.

Mr. SPRINGER. Mr. Van Doren, as I recall from the sequence of events some 2 weeks ago, you sent a telegram to the subcommittee on Tuesday and you released that to the press in New York, is that correct?

Mr. VAN DOREN. Well, yes, I did. I had to release it to the press.

Mr. SPRINGER. Did you confer with NBC before you released the telegram?

Mr. VAN DOREN. Yes. The telegram was the result of a conference.

Mr. SPRINGER. Was that the conference with Mr. Stabile and Mr. Levy?

Mr. VAN DOREN. Yes, and certain other people. As I say, I don't remember everyone who was there.

Mr. SPRINGER. Could you tell us the date and the approximate hour that that conference took place?

Mr. VAN DOREN. Yes, that was October 6. The time was roughly 7 o'clock in the evening until about 12:30 the next morning.

Mr. SPRINGER. Was Mr. Tom Ervin present on that occasion?

Mr. VAN DOREN. I don't believe he was. I think he was here in Washington.

Mr. SPRINGER. You do not know whether or not Mr. Ervin was aware that the telegram had been sent?

Mr. VAN DOREN. No, I don't know that, sir.

Mr. SPRINGER. Did they call you with reference to sending this telegram, or did you go to them?

Mr. VAN DOREN. They called me. I had just finished taping the "Today" show for the next morning's program. I was called from the program.

Mr. SPRINGER. Were they insistent that you send the telegram?

Mr. VAN DOREN. Yes, they were insistent that I send the telegram.

Mr. SPRINGER. Did they ask you any questions with reference to whether or not you had told the truth previously about this matter?

Mr. VAN DOREN. They did not ask me any questions. I told them, as I said in my statement, more of the truth than I had told them before, but still not the whole truth.

Mr. SPRINGER. Would you tell the subcommittee what portion of the truth you did tell them at that conference?

Mr. VAN DOREN. I told them that Mr. Freedman had offered me assistance and that I had refused it. I also told them that Mr. Freedman had returned to the grand jury and had implicated me, and that was the reason I was afraid to appear and testify. I also told them, and to the best of my recollection it was in answer to a question that they asked me, that question was, to the best of my recollection, Did Mr. Freedman ever ask you for any money? I recalled and told them that at one time, I think it was toward the latter half of the month of January, Mr. Freedman told me that I was going to be the first contestant to win more than a hundred thousand dollars. At that time that was considered to be a very important event.

The CHAIRMAN. What part of your appearance was that?

Mr. VAN DOREN. That was, I think, after the second week in January, sir. I don't remember exactly when this was. It may have been before January 14, but it was somewhere right around there. He said, "You will be the first contestant to go over a hundred thousand dollars."

The CHAIRMAN. Was that right after you started as a contestant?

Mr. VAN DOREN. That was some 6 or 7 weeks after I had started. He said to me, I think these are almost his exact words, "Charley, I think I ought to have \$5,000 of that money."

I am very sorry I ever mentioned this, and this is not because I am trying to hide anything from anybody. It is simply that I don't believe that Mr. Freedman meant that in the way it sounds. He never mentioned it again. I never mentioned it again. Nothing was ever done about it. I think that he blurted it out in a more or less unthinking way, not realizing what he was really saying. If he did realize the seriousness of it afterward, maybe that is why he never mentioned it. But no arrangement of any kind was ever made between me and Mr. Freedman.

Mr. SPRINGER. Now, Mr. Van Doren, what you have related in answer to this last question all took place at the conference between you and the officials of NBC?

Mr. VAN DOREN. Yes, I told them this.

Mr. SPRINGER. This is in substance what you related to them?

Mr. VAN DOREN. Yes.

Mr. SPRINGER. Just this again. Did they ask you for the conference or did you go to see them?

Mr. VAN DOREN. They asked me to come and see them.

Mr. SPRINGER. Did they insist that you send the telegram?

Mr. VAN DOREN. I believe the situation was that they insisted that I send the telegram, and if I refused to send it, in which case it probably would have been a breach of my contract. That was the impression that I had.

Mr. SPRINGER. Were you advised by your own personal counsel with reference to whether or not this was a breach of the contract?

Mr. VAN DOREN. He, I believe, gave me the impression that he thought it would be.

Mr. SPRINGER. Was he present on this occasion?

Mr. VAN DOREN. He was present, not upon the occasion of the conference that I have described to you that I had with Mr. Levy and Mr. Stabile, but he was present later in the evening, and he was there when I sent the telegram.

Mr. SPRINGER. He understood the full implications of that, is that true?

Mr. VAN DOREN. I had not told him the truth.

Mr. SPRINGER. He did understand that NBC insisted you send the telegram, did he not?

(Witness consults his counsel.)

Mr. VAN DOREN. Yes, he did.

Mr. SPRINGER. Did you understand, Mr. Van Doren, that if you did not send the telegram, you were likely to be suspended at that time?

Mr. VAN DOREN. Oh, I knew I would be suspended. There was no question about that.

Mr. SPRINGER. Then later were you called in at a time when you were suspended?

Mr. VAN DOREN. I was called in on Thursday evening and told that I had already been suspended.

Mr. SPRINGER. Who told you that you were suspended?

Mr. VAN DOREN. Mr. Kintner and Mr. Sarnoff. Mr. McKay who is a counsel for NBC, Mr. Stabile and a man named Mr. Adams, who met me on Thursday evening.

Mr. SPRINGER. What reason did they give for your suspension?

Mr. VAN DOREN. They told me that it was because I had not yet replied to the chairman's telegram, which was in reply to mine.

Mr. SPRINGER. Did your attorney advise you that this was a valid suspension?

Mr. VAN DOREN. There didn't seem anything that we could do about it, sir.

Mr. SPRINGER. You were so advised and you accepted the suspension?

Mr. VAN DOREN. Well, they relieved me from all my activities in the network. I assumed that that was up to them.

Mr. SPRINGER. You mentioned a few minutes ago, Mr. Van Doren, that as of the time that you sat down to testify you were on NBC's payroll.

Mr. VAN DOREN. Pardon me, sir. I think this may be an important point.

I am not on the payroll of NBC. I have a contractual relation with them. This seems to be very different.

For example, a year or so ago when I wanted to find out if I had insurance with NBC they said no, because I was not on the payroll. I am not an employee of the network.

Mr. SPRINGER. If you are not an employee of the network, through what source did you draw your pay?

Mr. VAN DOREN. I received my pay from the network, but not as an employee, but I have a contract with them.

MR. SPRINGER. Do you believe, and are you so advised by your attorney, that you still have a legally existing contract.

(At this point, Mr. Van Doren consulted his attorney.)

MR. VAN DOREN. Yes, I have, I believe.

MR. SPRINGER. And based on that contract, does your attorney advise you that NBC is liable under that contract for the payment to you of whatever that contract stipulates?

(At this point, Mr. Van Doren consulted his attorney.)

MR. VAN DOREN. Sir, it is quite true that my attorney and I have not discussed this matter much in the last 3 weeks. I would say—I don't know what he thinks—but I don't know whether NBC is liable or not.

MR. SPRINGER. Do you intend to take legal action against NBC to determine whether or not this is an enforceable contract.

MR. VAN DOREN. I don't know, sir. I don't know.

MR. SPRINGER. Have you and your attorney discussed that matter?

MR. VAN DOREN. No, sir.

MR. SPRINGER. When you appeared at this conference, did NBC ask you to tell the truth or did they just merely ask you to respond to the subcommittee?

MR. VAN DOREN. They asked me to respond to the subcommittee, to go and testify.

MR. SPRINGER. When you sent that telegram, Mr. Van Doren, did you in fact intend to comply with what that telegram inferred when you sent it?

MR. VAN DOREN. I hoped that I would not be asked to, sir.

MR. SPRINGER. At this conference that you had with NBC, did Mr. Stabile or Mr. Levy or anyone else representing NBC ask you about the truth of this matter?

MR. VAN DOREN. Well, I told them what was not true, but I said it was the truth. So they didn't have to ask me.

MR. SPRINGER. You stated, in effect, what you had already told the grand jury; is that correct?

MR. VAN DOREN. Yes; except that I also said that I had been offered assistance and had refused.

MR. SPRINGER. Do you know whether or not NBC made any investigation with other employees, for instance, of Barry & Enright to determine whether or not in fact you were telling them the truth?

MR. VAN DOREN. No; I don't, sir.

MR. SPRINGER. Did they mention they were asking anyone else, other than you, whether or not what you had told them was in fact the truth?

MR. VAN DOREN. No; they didn't.

MR. SPRINGER. Do you recall a statement which was issued by NBC approximately August 1958 in which you joined or made a collateral statement with reference to the truth of the Stempel charges?

MR. VAN DOREN. No, sir; I don't.

MR. SPRINGER. You don't recall that statement?

MR. VAN DOREN. I recall the statement that I made on the "Today" program. I made a statement on the "Today" program which I wrote myself. On August 24 or something like that.

MR. SPRINGER. To refresh your recollection, was that August 29, 1958?

Mr. VAN DOREN. Yes; it probably was.

Mr. SPRINGER. And that statement was made on the NBC-TV network's "Today" program?

Mr. VAN DOREN. Yes, sir.

Mr. SPRINGER. In the statement you said, "I also believe in the honesty of the contestants on that program whom I know."

Mr. VAN DOREN. Yes.

Mr. SPRINGER. That is in fact what you said?

Mr. VAN DOREN. Yes; I did say that, sir.

Mr. SPRINGER. At that time did NBC call you in to make any further inquiry as to whether or not in fact what you told them was the truth?

Mr. VAN DOREN. No, sir.

Mr. SPRINGER. Do you know of any investigation that was made by NBC or any representative of NBC as to whether or not the Stempel charges were in fact true?

Mr. VAN DOREN. I don't know of any; no.

Mr. SPRINGER. Did you, Mr. Van Doren, at any time have any conversation with any sponsor of any program on which you appeared?

Mr. VAN DOREN. While I was on the program?

Mr. SPRINGER. Yes.

Mr. VAN DOREN. No, sir.

Mr. SPRINGER. You had no conversation with Pharmaceuticals, Inc.?

Mr. VAN DOREN. No, sir.

Mr. SPRINGER. Or any representative of that company?

Mr. VAN DOREN. No, sir.

Mr. SPRINGER. Mr. Van Doren, are you still employed by Columbia University?

Mr. VAN DOREN. I believe so, sir; yes.

Mr. SPRINGER. I would just like to ask one or two more questions along that line. I trust it won't embarrass you.

Have you offered a resignation to Columbia?

Mr. VAN DOREN. I have told them that if they wish my resignation they may have it at the time and place they request.

Mr. SPRINGER. Have you any information that they intend to relieve you permanently of your duties at Columbia?

Mr. VAN DOREN. No, sir; I don't. I have no information about it.

Mr. SPRINGER. I understood that the board of trustees of Columbia may meet informally tomorrow; is that true?

Mr. VAN DOREN. I understand, sir, that they are meeting today because they always meet on the first Monday of every month.

Mr. SPRINGER. But there is no indication that Columbia University intends to terminate your contract with them?

Mr. VAN DOREN. Sir, I just don't know.

Mr. SPRINGER. You have not had a conversation about it?

Mr. VAN DOREN. I have discussed the matters which I talked to you about today with them.

Mr. SPRINGER. Mr. Chairman, I believe that is all, thank you.

The CHAIRMAN. Mr. Flynt.

Mr. FLYNT. Thank you, Mr. Chairman.

Mr. Van Doren, when did you first learn that Herbert Stempel had made charges of deceptive practices and fraud on the program known as "Twenty-one"?

Mr. VAN DOREN. It must have been just about August 28, 1958, the day before I made that statement. I believe that was the first time I heard it.

Mr. FLYNT. Were you aware that in the fall of 1957 the first charges, of collusion or deceptive practices in quiz programs generally, were made?

Mr. VAN DOREN. No, sir; I was not.

Mr. FLYNT. Was August 28, 1958, the information you just referred to, the first indication you had that anybody had made charges of fraud?

Mr. VAN DOREN. Yes, sir.

Mr. FLYNT. At any time subsequent to that date, were you ever questioned by any staff member or other employee of the Federal Communications Commission?

Mr. VAN DOREN. You mean after the fall of 1957?

At no time, sir, have I been questioned by a member.

Mr. FLYNT. You have not been questioned at any time by a staff member or employee of the Federal Communications Commission?

Mr. VAN DOREN. No, sir.

Mr. FLYNT. Have you ever been questioned by any staff member or other employee of the Federal Trade Commission?

Mr. VAN DOREN. No, sir.

Mr. FLYNT. When was your first conversation with officials of the National Broadcasting Co. with regard to the Stempel charges?

Mr. VAN DOREN. The charges, if I remember my dates correctly, first appeared in the newspapers at the end of August 1958. I think the day was August 28, if that is a Thursday. I had appeared on the program that morning. I heard about these charges during the day, and I was called by the producer of the "Today" program and asked if I wanted to make a statement about these matters. I said yes, I did, and I made it.

Mr. FLYNT. Do you know Mr. Eiges, of National Broadcasting Co.?

Mr. VAN DOREN. Yes, I do.

Mr. FLYNT. Do you know whether, as the result of any conversations that you may have had with him during the fall of 1957, he knew of any charges made by Stempel as early as the fall of 1957?

Mr. VAN DOREN. No. I don't believe I even spoke to him during that time.

Mr. FLYNT. Did he, about that time, to the best of your recollection, make any effort to contact you?

Mr. VAN DOREN. Not to the best of my recollection; no, sir.

Mr. FLYNT. Has Mr. Eiges ever discussed the matter with you?

Mr. VAN DOREN. I don't believe so, sir, although I did have dinner with him and his wife sometime—it is the only time I have ever really spoken to him—sometime within the last year, while the grand jury investigation was going on.

We discussed the whole question very, very little at that time. He didn't ask me any questions. I know we talked about it very slightly, but I don't even remember what we said.

Mr. FLYNT. Do you know the position and title he holds with National Broadcasting Co.?

Mr. VAN DOREN. I believe he is in charge of publicity, isn't he, or public relations. Vice president of public relations, or something like that.

Mr. FLYNT. At the time of the dinner conference you just referred to, did he mention the fact that he had talked to Stempel or not?

Mr. VAN DOREN. I don't believe he did say that to me; no, sir.

Mr. FLYNT. He made no reference to it, to the best of your recollection?

Mr. VAN DOREN. To the best of my recollection, he did not, no.

Mr. FLYNT. In your judgment, I believe you testified that you talked to Mr. Freedman at length prior to your testimony before the New York County grand jury?

Mr. VAN DOREN. That is right, sir.

Mr. FLYNT. How many times would you say that you talked to Mr. Freedman during the period of the grand jury investigation?

Mr. VAN DOREN. I spoke to him that time, and I called him on the telephone the day after he was indicted for perjury. I believe those are the only times.

Mr. FLYNT. What was the substance of the conversation when you discussed his indictment for perjury with him?

Mr. VAN DOREN. I simply said that I was very sorry. We didn't speak long.

Mr. FLYNT. At that time, to the best of your knowledge, did he still contend publicly there was no fraud or collusion on the program "Twenty-one"?

Mr. VAN DOREN. Yes, to the best of my knowledge, yes. That would have been about sometime in November of 1958, I believe, or October.

Mr. FLYNT. I don't think I have any further questions, Mr. Chairman.

The CHAIRMAN. Mr. Derounian.

Mr. DEROUNIAN. Mr. Van Doren, I am happy that you made the statement, but I cannot agree with most of my colleagues who have commended you for telling the truth because I don't think an adult of your intelligence ought to be commended for telling the truth.

Mr. Van Doren, do you recall a statement:

Second, there is the matter from the House Committee on Legislative Oversight which has caused so much unfortunate misunderstanding. I have not in fact been avoiding any subpoena. In fact, I would not know how to either serve or avoid a subpoena. I just wouldn't know how to go about it?

Do you recall that statement?

Mr. VAN DOREN. Yes, I do.

Mr. DEROUNIAN. Do you know now how to avoid a subpoena?

Mr. VAN DOREN. Not really, sir.

Mr. DEROUNIAN. You did not know that you were sought after?

Mr. VAN DOREN. I didn't know that I was subpoenaed, sir.

Mr. DEROUNIAN. I quote again:

It was not until Monday night that I learned of the committee's desire to hear me. By prearrangement between the committee and my counsel I have made myself available to a representative of the committee and within the hour accepted a subpoena for November 2.

Do you recall that statement?

Mr. VAN DOREN. Yes, sir.

Mr. DEROUNIAN. Was that a true statement?

Mr. VAN DOREN. I meant by it that I didn't know that the committee issued a subpoena.

Mr. DEROUNIAN. You said it was not until Monday night that you learned of the committee's desire to hear you. But you received Mr. Harris' telegram; did you not?

Mr. VAN DOREN. Yes, sir.

Mr. DEROUNIAN. So that was not a true statement?

Mr. VAN DOREN. Yes, sir; that is correct.

Mr. DEROUNIAN. You deceived the press of the country on the 14th of October when you made that statement?

Mr. VAN DOREN. All right; yes, sir.

Mr. DEROUNIAN. At the time you were considering going on "Twenty-one" in order to "Do a great service to the intellectual life, to teachers and to education" in general, were you thinking at all about the effect of your appearance on the children of this country?

Mr. VAN DOREN. Yes, sir; I was.

Mr. DEROUNIAN. Did you think that your performances as they now have been revealed here, would be a good thing for the children of the country to know about and would enhance their respect for education?

Mr. VAN DOREN. No, sir; I did not.

Mr. DEROUNIAN. You knew at that time?

Mr. VAN DOREN. No, I didn't. Excuse me. I am sorry. I misunderstood you.

Mr. DEROUNIAN. You did not realize at that time the bad effect this would have on the children of the country?

Mr. VAN DOREN. Unfortunately, I did not.

Mr. DEROUNIAN. Boiled down to the essentials, Mr. Van Doren, your statement indicates to me that what you did, you did for money. Do you agree?

Mr. VAN DOREN. I am sorry, sir; that was not the only reason. Of course, that was a reason.

Mr. DEROUNIAN. All throughout your testimony you indicate that you did not want to lose the \$50,000 contract, et cetera.

No further questions.

The CHAIRMAN. Mr. Moss.

Mr. Moss. Mr. Van Doren.

Mr. VAN DOREN. Yes, sir.

Mr. Moss. Did you receive any assistance in the preparation of the telegram directed to this subcommittee early in October?

Mr. VAN DOREN. Mr. Rubino and I talked about the telegram, yes, sir.

Mr. Moss. Did it require the approval of any NBC officials?

Mr. VAN DOREN. I believe it did, sir; yes.

Mr. Moss. The telegram as drafted constituting a denial of charges and insisting upon a hearing, met the specifications of the officials of NBC?

Mr. VAN DOREN. I tried to say in my statement, sir, that I did not consider this an insistence. I hoped—it was very foolish of me—I hoped the subcommittee would understand that I was desperate, and that if I came down here all I could do was reiterate my grand jury testimony, which I believed the subcommittee knew was not true.

Mr. Moss. Of course, you made the statement in your prepared statement this morning that the people who believe—I think they did. I encountered a great many at home in the past few weeks who were

very critical of this subcommittee for undertaking to smear you. So it was not a matter entirely of our choice, as to whether or not we would believe you. We had to be very cognizant of our responsibility.

Mr. VAN DOREN. Yes, sir.

Mr. Moss. You certainly had sufficient knowledge that we could not believe you on the basis of the telegram directed to us.

Mr. VAN DOREN. Yes, sir.

Mr. Moss. The statement you have given us this morning—did you receive any assistance in the preparation of that statement?

Mr. VAN DOREN. I wrote it myself. I talked about it with my attorney.

Mr. Moss. Did you consult with any of the officials of the NBC organization?

Mr. VAN DOREN. No, sir; not personally.

Mr. Moss. As to the content or the style of the statement?

Mr. VAN DOREN. No, sir.

Mr. Moss. How many opponents on "Twenty-one" did you have in the—what was it, 12 weeks of your appearance?

Mr. VAN DOREN. Fourteen weeks, I believe.

Mr. Moss. Fourteen opponents or 14 weeks?

Mr. VAN DOREN. Fourteen weeks.

Mr. Moss. Do you recall how many opponents?

Mr. VAN DOREN. No, I don't. Mr. Lishman probably would know that.

Mr. Moss. How many of those opponents do you feel had received assistance?

Mr. VAN DOREN. Sir, I have no knowledge of any other contestant.

Mr. Moss. You would have an idea, though, because of the format of this program where there was a challenge involved. Were you instructed when to challenge, in the course of the coaching, as to the material which would be used on the program?

Mr. VAN DOREN. I am sorry. I don't understand the question.

Mr. Moss. Wasn't it necessary on the basis of the score—I recall in the second round—to either challenge or stand on the basis of the scores at that point?

Mr. VAN DOREN. I believe that you may be thinking about another program, sir. On "Twenty-one" you just continued to play and you never knew anything about any other contestant.

Mr. Moss. You won from Mr. Stempel on a score of 18 to 10?

Mr. VAN DOREN. Yes, sir.

Mr. Moss. In order for you to win at that point it was necessary that you challenge?

Mr. VAN DOREN. I had to stop.

Mr. Moss. Or to stop or whatever you call it?

Mr. VAN DOREN. Yes.

Mr. Moss. Were you instructed on other programs when you should stop?

Mr. VAN DOREN. I may have been. I don't recall.

Mr. Moss. Were you informed as to the score your opponent would have if you did stop?

Mr. VAN DOREN. No, sir; I never was.

Mr. Moss. You never were?

Mr. VAN DOREN. I never knew what my opponent's score would be. I never knew how much money I would have won by the end of the program or anything of that sort.

Mr. Moss. You only knew that you could not fail because you had the answers.

Mr. VAN DOREN. Yes, sir.

Mr. Moss. Prior to the August 29, 1958, statement which you made on the program, was it "Today"—

Mr. VAN DOREN. Yes, sir.

Mr. Moss. Were you ever queried by NBC or any of its officials as to whether or not the program "Twenty-one" was fixed or controlled in any manner?

Mr. VAN DOREN. No, sir.

Mr. Moss. That is all the questions I have, Mr. Chairman.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. Mr. Van Doren, carrying further with Mr. Moss' question on the number of points you would select and whether or not you would stop on a number, were you not told prior to your appearance with Mr. Stempel that you would play three ties?

Mr. VAN DOREN. No, sir; I was not told that I would play three ties. I was simply told the number of points to take in each category and the question that I would be asked, and how to answer.

Mr. DEVINE. You knew how many points to select in advance?

Mr. VAN DOREN. Yes.

Mr. DEVINE. You could logically infer that the other contestant would naturally know the same?

Mr. VAN DOREN. Perhaps.

Mr. DEVINE. When you played ties.

Mr. VAN DOREN. He didn't tell me I was going to play ties. He indicated that. He didn't say that as to Mr. Stempel. Yes, he did, as a matter of fact.

Mr. DEVINE. He did.

Mr. VAN DOREN. Yes, sir.

Mr. DEVINE. You recall this morning that you were sworn by the chairman of the subcommittee?

Mr. VAN DOREN. Yes, sir.

Mr. DEVINE. The testimony you are giving here is under oath.

Mr. VAN DOREN. Yes, sir.

Mr. DEVINE. I presume you likewise were sworn before the New York grand jury?

Mr. VAN DOREN. Yes, sir.

Mr. DEVINE. And the testimony here today, if not in direct conflict, at least is in substantial variance with the testimony you gave there, is that correct?

Mr. VAN DOREN. Yes, sir.

Mr. DEVINE. I will ask you if either you or your attorney arrived at an understanding with the New York district attorney's office relative to what disposition may be made as a result of this conflict?

Mr. VAN DOREN. No, sir.

Mr. DEVINE. No understanding has been reached?

Mr. VAN DOREN. No, sir.

Mr. DEVINE. Do you realize there are implications of contempt or perjury?

Mr. VAN DOREN. Yes, sir.

Mr. DEVINE. That is all.

The CHAIRMAN. Mr. Springer.

Mr. SPRINGER. Mr. Van Doren, I just wanted to ask one further question. You have had no communication from Columbia or anyone in authority at Columbia either inferring or advising to you that they probably intend to terminate your contract?

Mr. VAN DOREN. Yes, sir; I have heard that they probably will, although the decision, I understand, has not been made.

Mr. SPRINGER. I would just like to make this short statement for myself. I do not represent the rest of the committee.

I hope that any action which might be taken by Columbia University will not be taken prematurely but only after examination of all the facts developed at these hearings.

Mr. VAN DOREN. Thank you, sir. I hope so with all my heart.

The CHAIRMAN. Mr. Lishman, do you have any more questions?

Mr. LISHMAN. No, I have no questions, Mr. Chairman.

Mr. VAN DOREN. Mr. Chairman, can I thank this committee? I didn't think anyone would ever want to thank this committee, but I owe this committee a great deal in my own heart.

I want to thank Mr. Lishman and Mr. Goodwin, too, Mr. Hogan and Mr. Stone, all of whom I have deceived, and I hope I will never do that sort of thing again.

The CHAIRMAN. Mr. Van Doren, you have given a very dramatic, but in my humble judgment a very pathetic presentation here today. Humbly I think, you have fully realized the sad situation. I would like to make it very plain that this subcommittee did not seek you out as an individual from other contestants. We had contestants, a number of them, who were volunteers and who asked to be heard, sufficient, we thought at that time to develop what the facts and truth are in connection with quiz show programs.

Your wire did hold certain facts suspended, and in view of the fact we had heard others and understood that the truth and facts were, and you then told this subcommittee that it was contrary to that, it made it absolutely necessary that we try to unravel this whole picture and get at the true facts. And so your decision to reveal the true facts, in my opinion, is tremendously important.

I do not need to state that you come from a long line of outstanding citizens and family in this Nation of ours, great literary and educational geniuses. You are a young man. I think you have a great future ahead of you.

Mr. VAN DOREN. Thank you, sir.

The CHAIRMAN. You have been duped into a certain situation, even though at your age you should and did know better, as you have revealed here today. I still feel that anyone, regardless of how it hurts, who comes and tells the whole truth in a matter that is so important to the American people and the public interest is to be highly complimented for it.

I think it was a great writer, you may remember, that said one time, "there is so much good in the worst of us and so much bad in the best of us, that it ill behooves any of us to talk about the rest of us."

Perhaps in view of the fact, as you have given in the text of your statement, that one of the greatest lessons to all of us and to the

country, is that maybe this unfortunate experience will reveal a great deal, out of which we all may get a lot of benefit and good.

Mr. VAN DOREN. I hope so, sir.

The CHAIRMAN. And that lesson, I think, is one that should ring out all over the country today as coming from you. All I can say is what your lawyer said to you, in view of this whole fact—because this subcommittee has only one purpose and that is the public interest—and whether or not there is a great area here in connection with this great industry that requires legislation, you certainly have helped clarify the record for the subcommittee's benefit and consideration.

I think I could end this session with you by saying what your attorney did say to you the other day; that is, "God bless you." The subcommittee thanks you for your appearance here.

(Thereupon, at 11:40 a.m., the committee recessed, to reconvene at 1:15 p.m., same day.)

AFTERNOON SESSION

The CHAIRMAN. The subcommittee will be in order.

Is the Reverend Charles E. Jackson here? Will you come around, please, sir?

Are you Reverend Jackson?

TESTIMONY OF REV. CHARLES E. JACKSON, JR.

Mr. JACKSON. Yes, sir.

The CHAIRMAN. Do you object to these photographers taking your picture?

Mr. JACKSON. I guess not, sir. I guess it won't tear their cameras up.

The CHAIRMAN. Let the committee come to order. You are Rev. Charles E. Jackson?

Mr. JACKSON. Junior; yes, sir.

The CHAIRMAN. Referred to as Rev. Charles "Stoney" Jackson, Jr.?

Mr. JACKSON. Most persons call me "Stoney"; yes, sir. That refers to the condition of my head, I assume.

The CHAIRMAN. What is your address, Reverend Jackson?

Mr. JACKSON. 214 West Lauderdale, Tullahoma, Tenn.

The CHAIRMAN. Were you a contestant on the "\$64,000 Question"?

Mr. JACKSON. Yes, sir.

The CHAIRMAN. And the "\$64,000 Challenge"?

Mr. JACKSON. Yes, sir.

The CHAIRMAN. Do you have a statement you would like to make of your own?

Mr. JACKSON. I have no prepared statement. I came with the understanding that I would be questioned. I can't afford a lawyer, and I did not make a prepared statement. I could have, but I did not.

The CHAIRMAN. That is up to you. You do not need to.

Mr. JACKSON. No, sir; not necessarily.

The CHAIRMAN. We want to give you that privilege if you have.

Mr. JACKSON. I think not, sir. I am here to answer whatever the committee would like to know.

The CHAIRMAN. Before you start, will you be sworn, please?

Mr. JACKSON. Do you want me to stand?

The CHAIRMAN. Yes, if you will.

Do you solemnly swear the testimony you give to the subcommittee to be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. JACKSON. I do, sir.

The CHAIRMAN. Have a seat.

You may proceed, Mr. Lishman.

Mr. LISHMAN. Mr. Jackson, you were a contestant on the television quiz show "\$64,000 Challenge"; is that correct?

Mr. JACKSON. Yes, sir; and the "\$64,000 Question."

Mr. LISHMAN. We will come to the "Question" later.

Mr. JACKSON. Yes, sir.

Mr. LISHMAN. Do you recall that you were a contestant on the "\$64,000 Challenge" on the evening of December 29, 1957?

Mr. JACKSON. Yes, sir.

Mr. LISHMAN. I would now like to have a kinescopic reproduction of that part of the "\$64,000 Challenge" on which Mr. Jackson appeared as a contestant. I would ask Mr. Jackson to watch this very carefully, as we are going to ask him some questions concerning his participation in the program.

The CHAIRMAN. Mr. Lishman, before you start that, may I make this announcement, because it will save a lot of people some time, including myself:

Following the testimony of Reverend Jackson, we will have Mr. Arthur Cohn, Jr. Following that a statement will be presented on behalf of Wilton J. Springer, who for good reasons could not be here. That will conclude the hearing for this afternoon.

In the morning the first witness will be another contestant, Mr. Xavier Cugat. Following Mr. Cugat's appearance, we will have Mr. Kenneth Hoffer, and following that we hope to have Mr. Ross.

(Showing of kinescope reproduction.)

Mr. LISHMAN. Mr. Jackson, you have just seen a kinescopic reproduction of the "\$64,000 Challenge." Does that correctly depict what actually occurred on the evening of December 29, 1957, when you were a contestant?

Mr. JACKSON. I did not see it, but I don't guess the camera lied. I assume that is a correct reproduction.

Mr. LISHMAN. In connection with that program, is it a fact that you were given assistance in advance of your appearance so that you were able to give the correct answer to the question that Miss Goosetree did not know?

Mr. JACKSON. In a so-called screening several questions were asked or discussions of the material involved in these questions, among it being the material and the question that I answered. When we got to the one about Thomas Hood, Miss Bernstein said—

Mr. LISHMAN. Who is Miss Bernstein?

Mr. JACKSON. She was associate producer or assistant producer. I don't recall which her title was. She said, "Do you know who wrote a similar poem in the 19th century?" I said, "No, I have never heard it." She said, "It was Thomas Hood." I thought to myself, I don't know what I am supposed to say, because she didn't say this will be a question. She said that is who it is. This was ostensibly a screening or discussion. I said—

Mr. LISHMAN. Just a minute. May I interrupt to ask, this screening or discussion took place prior to your appearance on the program?

Mr. JACKSON. It took place prior to the appearance on December 22. I was asked when our contest was resumed—we originally were on some time in September, I do not remember the exact date. This match came at the end of the show and was introduced and we did not get a question. I went home with reservations to come back for the following week, and something unheard of occurred. They called me up Wednesday and said they wanted to postpone the match for 5 weeks after it had already been introduced, that they were going to have Dr. Joyce Brothers against a group of boxers in her category, and they planned this for some time. I asked when I was going to be on, and they said they could not tell in advance. They said is this all right, and I said no, it is not, but I don't know what I can do about it. We were called back the week prior to December 22, and I was asked to come in early that week. I usually went to New York on Sunday afternoon and left Sunday night. I was asked to come in Thursday so I could be in the producer's office Friday for a screening, to which I had some questions as to why they wanted to screen a champion defending his title.

Mr. LISHMAN. Up to that point had you believed the contest to be honest?

Mr. JACKSON. There was no collusion of any kind. On the "Question" I realized after a couple of weeks that I had not been asked anything I had not already answered on the screening.

Mr. LISHMAN. You were also a contestant on the "\$64,000 Question," is that correct?

Mr. JACKSON. Yes, sir; in January, February, and March of that year.

Mr. LISHMAN. How did you happen to become a contestant on the "\$64,000 Question"?

Mr. JACKSON. May I give the answer at some length. It is a rather long answer.

Mr. LISHMAN. Yes.

Mr. JACKSON. I would like to, if I may, because I think I will have to get the background.

First of all, there was a primary reason as those who have seen these pictures may well realize. I don't parade before the public too much, more than I have to, in my work, because my physiognomy is not one that would prompt it. I had, ever since seeing a picture called "Boys Town" early in my career as a minister, harbored a submerged desire, submerged for a long time, at least, to be a protestant Father Flannagan. Unfortunately, I have never made it.

In this regard I had organized and founded in 1948 in Florida where I was then in a pastorate, a Christian Athletes' Foundation, which started out with a program of giving awards to outstanding athletes who were outstanding Christians for the example value—not so much to honor them—to youth.

Then we progressed to some other thing, and I finally came up with the brilliant idea, at least I thought it was at the time, that I could kill two birds with one stone. I could get this Christian Athletes business together by having a Christian Bowl football game since there were no football games with this type of emphasis on it.

I had three junior Christian Bowls, involving high school teams, and the ostensible result of this was getting enough money from these ballgames not only to have this publicity for Christianity in sports, but also to get funds to build and maintain a home for Christian boys in the State of Tennessee.

I then came up with the idea after we had just gotten by on the high school bowl games of having a college all-star affair on Christmas which would take an east and west squad, selecting the players first for their activity in some Christian denomination and second for their football playing ability, though that worked out well, too.

To make a long story short, the result of the football games to raise money to build a boys' home was about a \$25,000 deficit. This was not, so I was told, a legal obligation, since we didn't have a charter. But I felt it was a moral obligation. Of course, I was crushed by the loss and at a loss to find any way to make any repayment of the money to any appreciable extent.

Then I watched some of the big money quiz shows, and I decided that I was not an expert in anything except sports. Of course, I had good reason to be expert in football, \$25,000 worth. I decided I would take a whack at it. Maybe somebody would let me on in football or boxing.

I applied to every quiz show that I could get an address for that was on the air, that gave away anything from \$50 on up. I even applied to "I Have a Secret," though I didn't know at the time just what the secret was going to be, except I couldn't pay back the \$25,000 with \$50. I applied to them all.

I got no response from any of them. Then as you may well imagine my sort of state of depression over this thing, I don't mean only financial depression, but mental, too. I finally got a little irritated. I watched these shows constantly, and I began to see Edward G. Robinson and Vincent Price and Boris Karloff and others in show business, and I became suspicious of the quiz shows then. I thought that maybe I could salvage some money. I am a hack writer as well as a preacher. I make more money writing than I do preaching, which is not much. I decided to try to write a book, because I had a very strong impression that if we survived in this generation long enough to go down in history, that we will go down in history as the age of the hucksters and suckers. So I began to write a book on hucksters and suckers. I wrote to the shows and I said that I was writing this book. I said, "Will you please—" I said, "I applied for your show nearly a year ago and I have applied for every other show on TV, but evidently you need an agent, because I see you have all these show business people on there, and I want to get information for this book for a chapter on television, just what the real procedure is for getting on these shows. What kind of agent do you have to have."

I didn't get an answer to that letter, and it has never been mentioned since to me. I would not want to be exact on the number of hours, but within 2 or 3 days I got a form questionnaire requesting more personal information. They said they were interested in having me as a contestant on the show. So I had asked in my original application for boxing or football. One day shortly after I sent this back in, I got a long-distance call and they said they were interested in having

me on the show, and they wanted to talk to me, and they wanted to talk something about categories. I said I listed my categories.

The CHAIRMAN. Where was the call from?

Mr. JACKSON. Miss Levin.

Mr. LISHMAN. Entertainment Productions, Inc., with the producers of the "\$64,000 Question," and the "Challenge"?

Mr. JACKSON. Yes, sir.

I said this is what I want. I am not expert in anything else. She said, The producers don't want you on these categories.

I said, Why?

She said, Because isn't this a sort of second profession to you?

I said I had some experience in the ham-and-egg class of boxing, none that anybody had heard of. I played football, and I had been a licensed official for high school football for a number of years. I don't consider myself a professional. I am sure a lot of people who have seen me work ball games don't consider me one.

She said, Well, this is a second profession. Since you are a licensed official, we don't want you unless you are a professional. What other categories are you expert in?

I was frantic. I really wanted to get a chance to get some money. By this time in my frantic desire to get something to pay on these debts I had almost forgotten my suspicions already.

She said, "How about it?"

I said the only thing I can think of that I might know something about, sports; I don't want to be on the Bible because nobody knows it perfectly, and if I, a country preacher, get up there and miss a question on the Bible, I will never hear the last of it, and which could very possibly happen.

So I said the only thing, I remember I have been a movie fan all my life and I used to sit three and four times through some western movies.

So we sort of tentatively decided on an old western movies category, silent western movies.

I am that old.

She said, I will talk to the producers about this category and if it suits them I will call you again. I went over to the local library and got every book they had over there and started on that. I never did hear anything more from them.

Finally, somebody told me, or I read in a magazine article, I do not recall which, that if you really want to get on the shows the thing to do was to get something way out, as the kids say.

I sat down one night in my desperation and I thought what would be the most ridiculous thing I could possibly take.

The point came to my mind "great lovers." I was so far in debt at this time. I sent a telegram. I didn't know whether Western Union would send another one or not because I owed them.

Mr. LISHMAN. Mr. Jackson, may I interrupt a minute?

Mr. JACKSON. Yes, sir.

Mr. LISHMAN. Who was Mert Koplin?

Mr. JACKSON. He was the producer of the "Question" and the "Challenge"; I went on the "Question." He was later just producer of the "Challenge."

Mr. LISHMAN. Did he suggest to you that you concentrate on this topic of lovers?

Mr. JACKSON. I was about to get to that. I realize this is a little lengthy, but the rest of the answers won't be.

I sat down in desperation and sent a telegram "Add 'great lovers' to my list of categories."

I figured this: I figured if I did get stuck with it that it would at least be mostly in literature and since I did like literature and had read a good bit most of my life, I could cram on it and maybe make some kind of showing, even \$512 would have helped.

I sent that. The next day I got a long distance call to come to New York.

Mr. LISHMAN. From whom did you get that call?

Mr. JACKSON. Miss Evelyn Levin.

I went with this full intention in mind. I was going to try to get out of great love stories. I had done this on the suggestion of someone else to elicit interest. I felt certain when I got there that I could convince them that it would be wise to give me a sports category, but to make a long story short, I did not.

They said they wanted something foreign. We sort of went over this western category. They said no, you don't know anything about that.

I said, "You are telling me."

That was on Saturday, I believe, so they called me that afternoon—I went back to the place where I was staying—and said I was on the show Tuesday night.

Maybe this is Monday afternoon. I don't recall these dates. I would go on the show as a standby, but I probably wouldn't go on, but if I did get on, I would have to get on the western category.

I prayed that I wouldn't, and I didn't. Then Mr. Koplin told me as I left the studio that night, go home and study on great love stories. We do want you as a contestant on the show. You are the type we want.

I guess they needed some contrast from some of the suave looking gentlemen they had, so "You study on this and when you feel you are ready, you call me."

I went and started cramming with an aunt I have who is an expert on opera and other things. We went to classifying and trying to memorize. Ten or eleven days. They didn't wait for me to call them; they called me, it was on Monday morning. They said come up, be ready for the show tomorrow night. Be in the office for screening tomorrow afternoon. You are finally screened on your category. If you pass it you will be on the show.

Mr. LISHMAN. This was the "\$64,000 Question" as distinguished from the "\$64,000 Challenge"?

Mr. JACKSON. Yes, sir; that is correct.

I am sorry this answer had to be so long.

Mr. LISHMAN. Who screened you in New York?

Mr. JACKSON. Mr. Mert Koplin.

Mr. LISHMAN. Will you please describe the substance of this screening?

Mr. JACKSON. It was an oral screening, covering the category of great love stories.

Mr. LISHMAN. What kind of questions would he ask you?

Mr. JACKSON. They were in somewhat similar form to questions you hear on the air, though not exactly as they came out on the air, word for word, as I recall it. Some of the details of these things may be somewhat vague and I would like to say these are as I remember it, because, being somewhat in a daze at the time, I may be inaccurate in some detail.

As I recall, my guess would be, though I did not count them, that there was somewhere between 50 and 100 questions asked at that time. That is purely a guess because, as I say, I didn't count them.

Mr. LISHMAN. Did any of those questions later appear when you were on the air?

Mr. JACKSON. Not word for word, but in substance.

Mr. LISHMAN. So you could have learned the answers to the questions that were actually asked you on the air during the course of your screenings by Mr. Koplin?

Mr. JACKSON. No, sir; I could not have learned them then. When I left, the questions that I didn't answer I studied up on.

Mr. LISHMAN. That is what I want to get clear, Mr. Jackson.

Mr. JACKSON. Yes, sir.

Mr. LISHMAN. Would Mr. Koplin ask you a question and if you gave the correct answer—

Mr. JACKSON. He would just say: "That is right."

Mr. LISHMAN. If he asked you a question and you gave the wrong answer, would he tell you it was wrong?

Mr. JACKSON. Yes, sir.

Mr. LISHMAN. Would he give you the right answer?

Mr. JACKSON. Either he would say it is wrong or just shake his head. I don't remember.

Mr. LISHMAN. Was it understood that you would proceed to study and learn the right answer before you appeared on the air?

Mr. JACKSON. I believe the statement to me was this. There was no understanding, as such. The statement was made to me, something like this: "You have done well on this category. It took a lot of guts to tackle this category in this short time. You are doing me a big favor."

I don't know why. There was no elaboration on it. He said, "Continue to study. Since you have taken this category on such short notice, that will be taken into consideration in selecting the questions."

I believe it was also stated to me, either there or at another time, I don't recall which, something of this nature: "Contestants who come up here and who obviously are working, we try to go along with them as much as we can," or something to that effect. There never was at any time that I recall any statement about: "You quit here and you win tonight," and this and that and the other, as I have heard some previous things. There was none of that. It was far more subtle than that.

Mr. LISHMAN. But from these briefings, you knew what you could expect to have asked you when you were on the air?

Mr. JACKSON. I was never told those would be questions on the air, sir.

Mr. LISHMAN. Is it correct that they did subsequently appear?

Mr. JACKSON. Right, sir. Yes, sir.

Mr. LISHMAN. Did Mr. Koplin suggest any other category that you should study besides great love stories?

Mr. JACKSON. Not that I recall.

Mr. LISHMAN. Did he in the course of his suggestions to you suggest or ask questions concerning Hawthorne's "House of Seven Gables"?

Mr. JACKSON. Yes, sir.

Mr. LISHMAN. Will you tell us the circumstances surrounding his discussion with you about Hawthorne's "House of Seven Gables"?

Mr. JACKSON. Let me see if I recall correctly now.

After this first screening, I had gone to "The Challenge" as a guest to see the show on Sunday night. I went backstage and as I went out going to the back stage, Mr. Koplin saw me back there and he said, "How are you feeling?" I said, "I am a little nervous. This thing is getting to my stomach," which it did, of course. He said, "Well, if it is bothering your stomach, maybe you better come around and see me Monday afternoon and let me talk to you a while and make you feel better."

As I recall, I went to the office on Monday afternoon somewhere after 3 o'clock and we went through another session of screening. As I recall, this time there was a question on the "House of Seven Gables." I think I said that in classifying love stories with my aunt that we had checked that one out because it was not a love story. I didn't know who the couple was in there. I didn't know it at the time. I said we didn't classify that as a love story. It was a story of revenge and murder. We didn't think that love was the major plot so I didn't study it.

Mr. LISHMAN. Was that question asked of you on the show?

Mr. JACKSON. No, sir.

Mr. LISHMAN. How much did you win on "The \$64,000 Question"?

Mr. JACKSON. \$16,000.

Mr. LISHMAN. Why did you not continue on that show?

Mr. JACKSON. On this second screening, when this "House of Seven Gables" business came up, Mr. Koplin looked at me and said, "How far did you expect to go on this program?" I believe that my answer was, "Well, in my braver moments I hoped for \$16,000." He said, "I believe you know enough to try for \$16,000."

Mr. LISHMAN. Did you stop at \$16,000?

Mr. JACKSON. Yes, sir; I did.

When I first went up there, as I said in the beginning, I had some suspicions, but they gave me such royal treatment up there for a while and thought I was such an entertaining fellow, which they don't at home, I was sort of in pig heaven. This sort of allayed any immediate facing of facts. I was really enjoying that. They seemed to think so much of me that I really enjoyed that.

Then when I got to \$16,000, after I had answered my \$16,000 question, I found that the cordiality had cooled several degrees. Then someone on the show told me that was a signal. They just told me what happened to a fellow who tried to go on after he got there.

Mr. LISHMAN. What was the signal supposed to indicate to you?

Mr. JACKSON. That I was through.

Mr. LISHMAN. That you were through?

Mr. JACKSON. Yes, sir.

Mr. LISHMAN. How did you express to the world that you were through after having reached the \$16,000?

Mr. JACKSON. I took the check.

Mr. LISHMAN. Was an announcement made during the course of the program that you were not further appearing?

Mr. JACKSON. Yes, I was quitting at \$16,000.

Mr. LISHMAN. You announced that on the program itself?

Mr. JACKSON. Yes, sir.

Mr. LISHMAN. Following your catching the signal that you ought to quit, on "The Question," did you get a new signal which asked you to come back and appear as a contestant on "The \$64,000 Challenge"?

Mr. JACKSON. Much later.

Mr. LISHMAN. Was that a good strong signal, to come back on this "\$64,000 Challenge"?

Mr. JACKSON. I am not sure I know exactly what you mean by how strong. It was an invitation.

Mr. LISHMAN. You had an invitation?

Mr. JACKSON. It was a direct invitation.

Mr. LISHMAN. Was that a warmer invitation than you had expected?

Mr. JACKSON. No, sir. It was just an invitation.

Mr. LISHMAN. Who gave you the invitation?

Mr. JACKSON. I believe the call was again made by Miss Levin, but this was after numerous letters and messages of various kinds on my part wanting to know what happened. The friendly treatment began again as soon as I took the \$16,000 and they again told me I was one of their favorite people and to be ready to come back on "The Challenge" within 2 weeks.

I had taken pains before I took the check to ascertain whether I was eligible for the "Challenge" and whether I could expect to be called for it and was told that I would.

Mr. LISHMAN. Did this happen about September 1957 that you were invited to come back to "The Challenge"?

Mr. JACKSON. Yes.

Mr. LISHMAN. Did Mr. Koplin then tell you that they had a young lady contestant?

Mr. JACKSON. No, sir. This was sometime prior to that in a phone call. Mr. Koplin called me. I think they had gathered from some messages that I was getting a little bit impatient about the whole thing because I was under pressure to be back on early. He called me up one day and said he wanted to tell me that they were putting a young lady, a choreographer, on "The Question" in the great love stories category, with the idea in mind that if she went any distance to have us on "The Challenge" as a champion against champion rather than a challenger against champion so they might have a different setup.

Mr. LISHMAN. But that never materialized?

Mr. JACKSON. No, sir.

Mr. LISHMAN. When did you first appear on the program on "The Challenge"?

Mr. JACKSON. It was in September 1957. I do not recall the date. I think the 26th maybe. That was the night we were introduced and did not get any questions and then were postponed indefinitely.

Mr. LISHMAN. On the Friday 2 days before you were to appear on "Challenge" for the first time, did you have an interview with Miss Bernstein?

Mr. JACKSON. That is the interview I described, yes.

Mr. LISHMAN. What happened at this interview you had with Miss Bernstein?

Mr. JACKSON. That is the interview I described awhile ago. Do you want me to answer it again?

Mr. LISHMAN. No. I just want to find out, did she coach you or furnish you with information generally as to the questions that might be asked of you?

Mr. JACKSON. She did not say: "These will be questions," or that "these will be answers." It was done much more subtly than that, in the manner described.

She said she wanted to talk to me. She said, "Are you familiar with Tenneyson's 'Idyls of the King'?" I do not know whether these are in order. I would not attempt to make this a verbatim reconstruction.

Mr. LISHMAN. What happened?

Mr. JACKSON. She said first, "Are you familiar with Oliver Goldsmith?" I said "Yes." "Are you familiar with 'She Stoops To Conquer'?" I said that I was, and gave an alternate title for it and told her I knew it forward and backward.

Then she said, "Are you familiar with 'Idyls of the King'?" I said, "Yes, I am." I think she asked me, mentioned this question about Gawain and Elaine. I knew that, incidentally, but I think when I hesitated a moment to be sure about Lancelot or Gawain, I will say this as I remember it, before I could get it out, said that it was Gawain, maybe.

Then she got to this thing, "Do you know who wrote a poem about a couple where one lover had to swim to meet the other?" I said that could be nothing but Hero and Leander. "Who wrote it?" "Marlow and Chapman. Chapman finished it up." I think she made some comment about such as, "You do know them, don't you." Then she said, "Do you know who wrote a similar poem in the 19th century?" and I said I never heard of it.

Incidentally, the references I have, I have still tried to find that poem attributed to Thomas Hood. I am sure he must have written that but it must have been minor works because it is not mentioned anywhere.

Mr. LISHMAN. Mr. Jackson, you won \$4,000 on "The Challenge"?

Mr. JACKSON. Yes.

Mr. LISHMAN. You won \$16,000 on "The Question," is that correct?

Mr. JACKSON. That is right.

Mr. LISHMAN. After you won \$4,000 on "The Challenge," why didn't you return to that program?

Mr. JACKSON. Sir, I was not asked.

Mr. LISHMAN. You were not asked?

Mr. JACKSON. No.

Mr. LISHMAN. What were your feelings in effect to give the answer "Thomas Hood"?

Mr. JACKSON. Of course, I realized that the question I had from Miss Goostree to challenge was on this material we had discussed.

When I heard her get the Thomas Hood question and be unable to answer it—this, of course, is only good and I know for sure—my first reaction was to say, "No, Ralph—yes, I know this answer but I got it on a screening" and I could see visions not only of about six cases of apoplexy there, but I could see my bullet-riddled body as I passed an alley somewhere. I decided against that plan and when I got out of the stage I even considered in my mind saying, "Well, I don't think I ought to take this check."

And the only personal recriminations I have about this thing at the moment that I think I was unwise to take it at all. I didn't take it that night. As you know, the checks that you receive on camera are dummy checks. They are signed: "Will see you later." You are given the actual check when you come offstage.

The boy that handed the check, I came off and made some lame remark, like, of course, if I could have done it I guess it would not have been lame, I made some such lame remark, "Don't give me the check now; mail it to me later, because I am going to catch a midnight trip and if you give it to me later maybe I can get them to put it on the 1958 taxes." I did not take the check home with me.

Mr. LISHMAN. When did you get the check?

Mr. JACKSON. It was dated January 8. I later wrote them to send it to me.

Mr. LISHMAN. You accepted it?

Mr. JACKSON. Yes, sir. I had asked a representative of the Internal Revenue Department about it and been informed if I had turned the check down I would still be liable for the tax on it.

Mr. LISHMAN. How much was that check?

Mr. JACKSON. Four thousand dollars.

Mr. LISHMAN. Similarly with the \$16,000 check; you accepted that, too?

Mr. JACKSON. Yes, sir. I have no compunction about the \$16,000 check whatsoever.

Mr. LISHMAN. Why not?

Mr. JACKSON. I worked like a dog for a long time. I think I earned every penny of it. I entered into no collusion with anybody.

Mr. LISHMAN. But you were assisted on the program by advanced screening?

Mr. JACKSON. I knew that material before I went there, sir.

Mr. LISHMAN. Did you know Thomas Hood?

Mr. JACKSON. May I add this statement?

I knew more than that, especially by the time I got back on the "Challenge." Had this not been rigged so that nobody could do anything about it, I think I can offer substantial corroboration from those that helped me study that I could have gone much farther. I did not feel that I had taken anything that I had not earned.

I did feel that I had been denied a chance to earn more than I could have. Because there was no collusion. They didn't ask me did I want to do this or did I not. I was not given that chance.

Mr. LISHMAN. Would it have been likely that you could have answered all these questions if you had not been reminded of them in advance in sufficient time to let you think about it?

Mr. JACKSON. I think so, sir; yes, sir.

Mr. LISHMAN. Do you recall any occurrence happening behind the scenes while you were on either of these programs which might have led you to believe that the show was fixed?

Mr. JACKSON. Well, the fact—which one now, you mean the “Challenge” or the “Question”?

Mr. LISHMAN. The “Question.”

Mr. JACKSON. Just what I have said.

Mr. LISHMAN. Did you ever hear anything behind the scenes which indicated that certain contestants were being favored over others?

Mr. JACKSON. Yes. This I could not prove. This is an idea of mine. These are impressions that I got.

The CHAIRMAN. I think you had better just state what you know.

Mr. JACKSON. I don’t know for sure. I know that I heard when Robert Strom was coming to the front, this is about the time I got to my \$16,000 question, all I heard said in that regard was in back stage—the night I took this \$16,000 check, they were making grand preparations to up the limits on this show from \$64,000 to \$250,000.

I heard remarks to the effect back stage, if they want, if they have this money and want to put it in here so they can keep the kid on, it is all right with me.

Mr. LISHMAN. What?

Mr. JACKSON. If they have this much more money to keep this kid on the show, it is all right with me.

Mr. LISHMAN. Who said that?

Mr. JACKSON. I am not sure, sir. One of the personnel said it. I would not want to name them because I am not certain.

This is a comment I heard in the hullabaloo back stage. I could not accurately attribute it to any one person without a chance of being in error.

Mr. LISHMAN. Was it somebody connection with the production?

Mr. JACKSON. Yes.

Mr. LISHMAN. You are sure of that?

Mr. JACKSON. Yes, sir; I am sure of that.

Mr. LISHMAN. Before appearing here, have you written either to a magazine or a newspaper telling the story of your appearance on the “Question” and the “Challenge”?

Mr. JACKSON. Yes, sir; the magazine in New York wrote me and asked me to do a story on my quiz show miseries, which I wrote and sent to them.

At the time they called and said that the publisher would not let them use the story at that time.

Mr. LISHMAN. Do you recall the substance of what you wrote in that article?

Mr. JACKSON. Basically the substance is pretty much what I have related here.

Mr. LISHMAN. Did the article indicate that in your opinion the show was fixed?

Mr. JACKSON. Yes, sir.

May I clarify what I mean by “fix”?

Mr. LISHMAN. Yes.

Mr. JACKSON. I don’t mean that it was fixed between the producer and the contestant. I don’t know about the other contestants, of course.

But no one ever said to me you quit at a certain time or if you will do so and so we will do so and so.

Here is the thing that I wanted to get over and why I opened my big mouth to the newspapers, which I have been sore a number of times that I did, without being more explicit, or writing it myself.

Nobody ever, none of the present newspaper men are guilty, incidentally. I wanted to make this thing very clear. This is one reason I was desirous of appearing before this committee. That when I say fixed, I don't mean collusion, such as I have heard in testimony, about you are going to win so much and you are going to do this tonight, and you are going to lose this night and that.

They were far more subtle about it. They fixed it to suit themselves. They didn't ask me what I wanted to do about it or did I want to go along with it. It was not that type of fix.

The CHAIRMAN. Reverend Jackson, couldn't you consider it was a pretty nice fix when you had a particular question that was asked of you in the screening, you don't know the name of it, and they told you the name of it?

Mr. JACKSON. Let me make this clear.

The CHAIRMAN. There were \$4,000 involved.

Mr. JACKSON. Let me make it clear. I am talking about the "Question" right now. I was enraged at the time and I had been asked a hundred times, not only in person, but by very insinuating letters, that statement I made to the press about this which originated in Nashville, Tenn., and was released sometime in September 1958, I believe. I was asked if this thing was fixed, and you knew this, why did you wait so long to say anything and, of course, why did you take the money.

The answer to why I waited so long to say anything, I didn't, but I could not get anybody to listen to me.

The CHAIRMAN. That is most unusual.

Mr. JACKSON. Not for me; no, sir. I don't mean that facetiously, either. I went home. I knew what occurred. I didn't take that check with me that night.

Incidentally—

The CHAIRMAN. Who did you try to tell it to, that would not listen to you?

Mr. JACKSON. I tried to tell it to Time magazine first. First, that is, after I had written to the producers and told them that Miss Goostree and I were unhappy about the situation.

I sent a letter to Time magazine. First, I am a little ahead.

I went home and thought it over for about 5 days. I called Miss Goostree. I asked her what happened in her screening. She said she had been led to believe that the question for that night would be on Shakespeare. Here is a nice little fix. They didn't ask me if I wanted this answer. They didn't ask her anything. But they fixed it so we were both going to be through at \$4,000.

You will have to accept my word. I was even angry at her being gypped and me profiting from being gypped as I was denied my chance to do better, because when your opponent misses you are through, too. I feel I was gypped; I could have gone much further. Maybe this is a conceited statement, but anybody who spends time digging on a certain subject as much as 10 hours a day and doesn't do much else is a mighty stupid idiot if they don't know something.

After talking to her and finding this out, I sent a wire to Time magazine. I used 15 words or less. I said I was fed an answer on the "\$64,000 Challenge" on the night of December 29, thinking that I wouldn't have to wait but a few minutes until the phone rang and I could give them the rest of the story, which I could not tell them in the telegram. I don't even own an automobile yet. This money was applied on indebtedness.

I never heard anything from them.

Then I had some correspondence with the New York Times on the subject and they were not willing to touch it at the moment.

I did have some very pleasant correspondence with them, but they never—I called the Nashville Tennessean, tried to reach a man down there that I wanted to talk to about the story, and when he got my name he was conveniently not available at the moment.

I then went to the little twice-a-week paper that I write a sports column for and told the man, "Why don't you break this? Somebody can let it be known. Why don't you do it?"

He said "Don't be an idiot."

The CHAIRMAN. Why did you not contact the Journal American?

Mr. JACKSON. Well, sir, I was not fully aware of the interest of the Journal American in it. After those three efforts, after my own publisher would not carry it, I gave up.

The CHAIRMAN. As a matter of fact, the Nashville Tennessean has been very anxious about this now for the last several weeks?

Mr. JACKSON. Later. But much later, Mr. Harris. Some several months later. That was in January of 1958, and they became intensely interested in September 1958, after Mr. Stempel and others had given—their information had been given publicity and this was a good story.

The CHAIRMAN. How many times did you appear on the "\$64,000 Question"?

Mr. JACKSON. I was on twice when I was introduced and didn't get any questions.

I was on one night going to \$8,000. Another night going to 16, and another night getting my check.

The CHAIRMAN. But each time, except for those first appearances, after you were in the booth and the question was asked of you, you readily recognized that those questions had been asked of you prior to that time.

Mr. JACKSON. They had been asked on the screening; yes, sir.

The CHAIRMAN. And you readily recognized them?

Mr. JACKSON. Sure, I could not help but recognize them.

The CHAIRMAN. You did not get suspicious then?

Mr. JACKSON. Yes, sir. What did that prove?

The CHAIRMAN. You are doing well by it now.

Mr. JACKSON. We are back to the same thing. Why did you wait so long?

First, let me tell you this: This I can prove, incidentally, if it is necessary. After I found out I was getting questions which I had on screening, I went home and I talked to intimate friends of mine. I talked to a fellow minister. I asked each of them, I said "I am getting questions which I have had on screening. What shall I do?"

Without exception the answer was, "Don't do anything foolish. You have not violated any law. You have not asked them to give you the questions."

We feel you are morally in the clear.

The CHAIRMAN. Did you feel that you were morally in the clear?

Mr. JACKSON. I had enough doubt about it that I went to seek counsel about it, but I accepted that counsel.

The CHAIRMAN. You had enough doubt about it that you waited until after January to claim the check, too, did you not?

Mr. JACKSON. Not on the "Question"; no, sir. That was on the "Challenge." I didn't consult anybody about the "Challenge."

Incidentally, much later, of course, this was a very feeble effort because I had given Miss Goostree \$300 out of the check and the aunt who helped me prepare, a financial gift, and had invested the rest of it in the hopes of making some more money in a book I wrote on "Great Love Stories" which has been no great shakes because I was informed by the publisher anybody who said anything involved in the quiz scandals they couldn't mention their book or their name on the networks.

The CHAIRMAN. Did you really feel, when you were in the booth and these visions you were talking about were running through mind, that your life might be in danger?

Mr. JACKSON. I think that is an exaggeration. I don't know that it would be; no, sir. I was a long way from home, though.

The CHAIRMAN. I should think, Brother Jackson, if you had gotten up in your pulpit down there and preached on this subject from that pulpit you would have gotten some notice even, though the New York Times and Time magazine and others were not paying attention to you.

Mr. JACKSON. This you might not believe. This I can prove, too. I have not said anything since that time that I have not said a hundred times both from the pulpit and civic clubs and in general conversation around my home, a hundred times.

The CHAIRMAN. Concerning what you thought about this?

Mr. JACKSON. Yes, sir; nobody ever indicated any interest in spreading that any further.

The CHAIRMAN. I have no doubt about the truth of that statement.

Mr. JACKSON. That is true, sir.

The CHAIRMAN. Because it is a sad commentary.

Mr. JACKSON. I have been asked a hundred times since. I have had some few say, "Why did you take the money?" I have answered them as I have answered you. Because this may seem unreasonable to you, but I feel I was cheated as much as anybody else. Maybe more, in many ways. Telling the truth, to begin with, from the word go, when I was asked and given a chance to tell it—mind you, I have tried several times when I had no chance—it is a very uncomfortable procedure. It is not a popular one at all.

Not only the question which you might pose. I am fully aware of the questions in the mind of the public.

Of course, they may not agree with my attitude toward the thing at all. I was finally told by many at home, they said, "You have tried to get this thing publicized, will you keep your mouth shut and let it go"?

I said I certainly will now, feeling that I had done the best I could to let it be known.

Later—I realize now, that this would appear to someone else to be a rather, not only futile, but even humorous gesture. As I told one of our representatives who talked to me sometime ago, I did feel that I could not live with myself if I didn't make an effort.

Of course, you may say this is easy, the \$4,000 was gone. I did this. I sent a note to Entertainment Productions, Inc., in which I promised to pay them, on no certain date, but to return the \$4,000 in whatever amounts I could, when I could, because I did not feel comfortable about keeping it.

The note was returned to me by their attorneys in which it referred to my note and stated that the reasons I had given for returning it existed, of course, in my own mind.

The CHAIRMAN. That made you feel better?

Mr. JACKSON. No, sir; not particularly, except that I realized that there was not much use in my trying.

The CHAIRMAN. Did you at any time, when you were trying to get on the quiz show and during all of your experiences, have any contact with the network?

Mr. JACKSON. No, sir.

The CHAIRMAN. Officials or anyone connected with the network?

Mr. JACKSON. No, sir.

The CHAIRMAN. Your relationship was always with the producer?

Mr. JACKSON. Exactly.

The CHAIRMAN. Did it ever occur to you to make a complaint or take the matter up with the network?

Mr. JACKSON. Yes, sir. I was still in New York. I must admit that the idea was somewhat faint. I did make the overture of going to CBS officers and asking to see one of the officials. I didn't even know who to see. A receptionist told me to sit and wait, that Mr. So-and-So would be through in a minute, and after sitting an hour, I departed and made no further effort.

The CHAIRMAN. You got up and walked out?

Mr. JACKSON. Yes, sir.

The CHAIRMAN. Did you ever make a written protest?

Mr. JACKSON. To CBS?

The CHAIRMAN. Yes.

Mr. JACKSON. No, sir; not until this article came out in the Tennessean. They called me.

The CHAIRMAN. Aside from some facetious remarks, I have great sympathy for the position you were in, Brother Jackson. I will say that. Do you agree with me that such deception and fraud on the American people could very well undermine the moral fiber of this country?

Mr. JACKSON. I think it is atrocious. I will say this. Even though, as I say, I was in a position where there was not a great deal I could do, I have regretted many times, and still regret, that I ever had anything to do with one of them. I don't regret it on account of the shows too much on account of adults, Mr. Chairman. I have done a lot of work with youngsters. I would hate by my own error in judgment or since most of us at best have a good bit of larceny in us, if we admit it, because this is an age where a lot of respect is directed toward a

man with money, and a good deal of looking askance at the man who doesn't have it, regardless of what his character may be, realizing that I am a human being, and the fact that I was ordained as a minister has not yet made me a saint, those are not easy estimations. But the thing that has concerned me most is that if any of my association that I could not explain adequately to a child, and some of it perhaps I can't, that Challenge business—I do know this, that I have prayed for guidance on numerous occasions and did the very best I knew how under the circumstances, with no intent or effort to defraud anybody, and with a great deal of pain and disgust at the way things were handled. Here is something that the public, I think, has not taken into consideration. After telling the truth, a great segment of the public considers you an unmitigated traitorous bum, even if you tell the truth from the start. They are not concerned about whether you took the money or not but the fact, as they say, you ratted on somebody. It is a rather untenable position, not one to make you popular. The work with the committee has been criticized extensively where I live.

The CHAIRMAN. I really can testify to that statement being true from the position I hold.

Mr. JACKSON. I had a newspaper publisher whom I regarded very highly personally say to me, "Just what in the world do you want to get up and blab your big mouth off for? Who have they cheated? They didn't take any money out of the public's pocket." This is the general attitude.

Frankly, I have not been censored nearly so much for taking the money as I have for opening my big mouth.

The CHAIRMAN. From my experience, I think that the general attitude of the public, when they have come to a full realization of what has really been taking place, has changed considerably.

Mr. JACKSON. I think it will more.

The CHAIRMAN. Just in the last few days.

Mr. JACKSON. I think it will more.

The CHAIRMAN. I think the record should show that you are a volunteer witness here trying to get your story before the general public.

Mr. JACKSON. I am; yes, sir. That was my desire. I don't think that anybody who is associated with anything can completely escape some guilt for it. I believe John Donne said, "no man is an island unto himself." The other situations which I have heard are quite dissimilar to the one I found myself involved in. As to the other contestants, I don't know. I did want to get that on record. I think I am perfectly man enough to take whatever blame is coming my way.

The CHAIRMAN. Mr. Lishman, I did not intend to interrupt.

Mr. LISHMAN. I have no more questions.

The CHAIRMAN. Mr. Mack, do you have any questions?

Mr. MACK. Yes. Reverend Jackson, I was very interested in your statement concerning the general public, that they had not lost anything. I have always argued that when we are successful in deceiving 100 million or 120 million people, it is time for us to be very much concerned.

Mr. JACKSON. In that connection, may I say, sir, this is the thing that has been puzzling to me, this attitude. If in boxing or football

something of this type was going on, whether you did not have any control over it or not, and you did not mention it, you could be barred for life from those sports. The public accepts that. But they do not take the same attitude toward this, essentially.

Mr. MACK. Yes. I think your statement concerning your efforts to contact some of the big publishers in the country, and one of the biggest and I guess one of the greatest newspapers is true, but for some unknown reason they refused or failed to print it.

Mr. JACKSON. I think they were afraid of libel at the time.

Mr. MACK. I think if we wanted to be extremely charitable, we could say that they probably did not have the courage to carry the article at the time, under the existing libel laws. Many of the editors of this country have risked jail sentences to report news at various times, however.

Mr. JACKSON. Of course, there is this much to say to the strange paper. They did not know me. They would have no way of knowing whether I was a liar or not.

Mr. MACK. I can understand the problem. Having just one source of information, and perhaps being charitable, they discounted it as not being a good source for securing information. In regard to what the people lost, I have been very much concerned about some of the advertisers. You were on the program sponsored, I believe, by Revlon.

Mr. JACKSON. Revlon and Kent cigarettes.

Mr. MACK. I notice a substantial increase in the sales of Revlon products was reported during this same period. It went from net sales in 1955—at least from 1955 to 1958, they more than doubled their sales. Undoubtedly a lot of it was caused by the television programs, and the “\$64,000 Question” and the “\$64,000 Challenge.” It seems to me that the consumers of America had a big interest in this. It was based on a deceptive program and they went into the stores and spent some additional \$50 million. They certainly had a great interest in this program and the deception as it was employed.

Mr. JACKSON. It is the age of the hucksters and suckers, sir.

Mr. MACK. I have no more questions at this time, Mr. Chairman.

The CHAIRMAN. Mr. Bennett.

Mr. BENNETT. Did you say that the briefing or the screening that you got prior to being on the “\$64,000 Question” was not helpful to you in answering the questions on the show?

Mr. JACKSON. I said I knew the answers to the questions that I answered already. I knew the answers to the questions that I answered correctly on the screen. I knew those answers before I went there.

Mr. BENNETT. But you would have known the answers whether you had this so-called briefing or not?

Mr. JACKSON. Yes, sir, on those I would have.

Mr. BENNETT. Is it your opinion that the briefing was given to you to assist you in answering the question? If not, for what purpose was it given to you?

Mr. JACKSON. It is difficult to say without any degree of error what the intent of another person is, but it appeared that way to me, sir.

Mr. BENNETT. Whatever they gave you was not helpful? You did not need it?

Mr. JACKSON. I could have answered those questions without it, sir.

Mr. BENNETT. You got up to the \$16,000 question and correctly answered it. You indicated that somebody made it plain to you that it was time for you to quit, that you might fail your next question.

Mr. JACKSON. Yes, sir.

Mr. BENNETT. How did you interpret that? First of all, who told you that? Who gave you that impression and how did they give it to you?

Mr. JACKSON. That information was passed on to me, I don't know whether the title was the producer's assistant, a young lady named Gay Taylor. I don't think they gave it to me exactly that way. If I remember correctly she described to me what had happened to another contestant who went out and tried to go for 64 when he let them know he was planning on quitting at 32.

Mr. BENNETT. Who had you told that you were planning on quitting at \$16,000?

Mr. JACKSON. I asked Mr. Koplin when he wanted to know about my decision. This is after I had talked to him this time, and I had ascertained whether I would be a champion at this level and eligible for the "Challenge," and whether I would be asked back to the "Challenge." I wanted more time to study, feeling that I could go further with the extra time. I believe I either asked him at that time or a few days later when he wanted to know, he said, "Tell me when you get on the show if you want to." Then he added, I think, "It does help us in timing the show to know." I frankly could see nothing wrong in telling him when I was going to quit. I think probably they do need to know that. They have to time the show some way. That would be all right with me. I couldn't see anything wrong with that.

Mr. BENNETT. Did you go away with the feeling that anything wrong had been done, as far as you were concerned, on the \$64,000 question?

Mr. JACKSON. That I had committed any wrong?

Mr. BENNETT. Or that they had.

Mr. JACKSON. I just felt this: Regardless of what you did you were in a contest of ratings and it would be arranged to either keep you or drop you at their convenience. There was not much of anything you could do about it.

Mr. BENNETT. Was that based upon any facts you had or was it based on your own feeling?

Mr. JACKSON. Just this experience and observations which I could not prove any one of.

Mr. BENNETT. At these so-called briefings on the \$64,000 question, were you asked questions that were not asked of you on the show?

Mr. JACKSON. Oh, yes.

Mr. BENNETT. How many questions would you be asked at the briefings?

Mr. JACKSON. I could not possibly be accurate in giving you the number, sir, because I was too nervous to count them. Just a wild estimate would be anywhere between 40, 50, 100 questions, on the original screening. On the others not quite so many.

Mr. BENNETT. You had the original screening before you went on the first program?

Mr. JACKSON. Yes, sir.

Mr. BENNETT. Then did you have another screening prior to each appearance on the program?

Mr. JACKSON. No, sir; I had another one prior to the time that I answered my \$16,000 question.

Mr. BENNETT. They start from \$64?

Mr. JACKSON. \$64, 2 times 64, 128, 256, 512, and then to a thousand.

Mr. BENNETT. You didn't have any screening prior to those preliminary questions, aside from the original screening.

Mr. JACKSON. Aside from the original screening, not for that one.

Mr. BENNETT. Did you have a screening for the \$8,000 question?

Mr. JACKSON. No additional one because I went to \$8,000 the first night I was on. The first night I answered questions, I went from \$64 to \$8,000 one night. That is as big a jump as you can make on the first night.

Mr. BENNETT. Was every question that they asked you going from \$64 to \$8,000 one of the questions that was asked you in the so-called briefing?

Mr. JACKSON. Either that or based on material in that screening. Maybe not in the exact form it had been asked, but it was based on the same material.

Mr. BENNETT. Prior to the time you answered the \$16,000 question, what kind of briefing did you have? How many questions?

Mr. JACKSON. This is one I described to Mr. Lishman where we had the discussion about the "House of the Seven Gables." He asked me how far I expected to go. I said in my more courageous moments, \$16,000. He said, "I think you know enough to go to \$16,000. In effect, he said, "I wouldn't try it if I were you." In other words, he didn't say these will be questions, or I think you ought to quit then. He just said I feel you know enough to try for \$16,000.

Mr. BENNETT. Did they ask you any other questions?

Mr. JACKSON. Sir?

Mr. BENNETT. Were you asked any other questions then? Let me put it this way. Were you asked the questions at the briefing before you answered the \$16,000 question that were asked you on the program?

Mr. JACKSON. Yes, sir; that and some from the original screening. I was never asked anything which I had not answered on some screening.

Mr. BENNETT. But aside from this screening, where you were asked all these series of questions, there is not anything you can pinpoint that would make it clear that the producer was giving you advance information on the questions?

Mr. JACKSON. They had what they called the warmup before the show in which they would ask questions. As I recall, questions drawn from that same material would be gone over. They would not say whether an answer was right or wrong. It would be something of this nature. If I asked you so and so, would you know the answer, and I said "Yes." They did not press me as to what the answer was.

Mr. BENNETT. Is it on the basis of what you have said here that you have made the charge that the "\$64,000 Question," as far as you are concerned, was fixed?

Mr. JACKSON. I did not make any charge of any kind. I only related my own experience for what it is worth. I never used the word "charge" in any shape, form, or fashion. I have never made any legal charges against anybody at any time.

Mr. BENNETT. You never used the word "fix"?

Mr. JACKSON. Yes; but I never used the word "charge." I never charged anybody with anything. I related my experience, considering it is my opinion.

Mr. BENNETT. Is it your opinion that the "64,000 Question" program was fixed, based upon what you have told us here today?

Mr. JACKSON. Yes, sir; making a distinction between fix and collusion. It was fixed to suit the producers.

Mr. BENNETT. I mean fixed in the sense that you were given the information in advance?

Mr. JACKSON. No, sir; there was no statement ever made which would indicate an understanding. None was ever offered. In other words, you did not have a chance to say "Yes" or "No." It is not as if you came and said to me, I will do so and so if you do so and so. That was never said. You were never given a chance to turn down a bribe. They found out what you knew and what the other fellow knew and conducted themselves accordingly.

Mr. BENNETT. There is a different situation in respect to the "\$64,000 Challenge"?

Mr. JACKSON. No; it was basically the same situation. Only they hung an answer out where I could pick it up if I was not stupid. They did not say take it. They did not say you go to \$4,000.

Mr. BENNETT. What do you mean, "they hung" it?

Mr. JACKSON. As I reported, she said this was ostensibly a warmup conversation in which this information came out, but when I didn't know Thomas Hood, she said, as a matter of fact, Thomas Hood. She didn't say this will be one of your questions.

Mr. BENNETT. Was your opponent in on this briefing?

Mr. JACKSON. No, sir; briefed separately.

Mr. BENNETT. She was also briefed?

Mr. JACKSON. Yes, sir; but in a different direction.

Mr. BENNETT. She didn't get the same information you got?

Mr. JACKSON. No, sir; obviously not.

Mr. BENNETT. Did you ever try to find out why they wanted you to have the right information and not your opponent that night?

Mr. JACKSON. I have asked that question occasionally but I never got an answer. It was evaded.

Mr. BENNETT. Did your opponent—what was her name?

Mr. JACKSON. The general answer.

Mr. LISHMAN. Goostree.

Mr. JACKSON. The general idea was, this is all in your mind, friend; you are a little nuts.

Mr. BENNETT. Do you know why you were treated a little better than Miss Goostree?

Mr. JACKSON. I can only guess as to that, sir. I think they were a little afraid of my big mouth.

Mr. BENNETT. If that is the case—

Mr. JACKSON. That is only an opinion.

Mr. BENNETT. Then why didn't they give Miss Goostree the answer, and not you?

Mr. JACKSON. That is only an opinion. I don't know.

Mr. BENNETT. You mean they were afraid if they didn't give you the answer, you would cause them trouble?

Mr. JACKSON. My assumption is that they figured that they would not have known any better and that \$4,000 would be enough to keep me quiet.

Mr. BENNETT. Had you said anything to them that would indicate that you wanted to win?

Mr. JACKSON. I never said anything contrary to the fact that I wanted to win.

Mr. BENNETT. Why do you think they would be afraid of your big mouth if you had not said anything up to that point.

Mr. JACKSON. Yes, sir. In conversation sometimes my efforts to entertain, when I am encouraged, go beyond what I intended to in the beginning, and up there in some general conversations I had made such remarks as "I wonder what would happen if a fellow got a question he could not answer out there and said, 'Ralph, you better check that question. We didn't rehearse that one.'"

Mr. BENNETT. Was this prior to the "\$64,000 Challenge" question?

Mr. JACKSON. Yes, sir. I had said this when I was on the "Question." In fact, the first night that I was on we went out and he showed me what the categories were, I said, "What would happen if I walked out here and chose some other category instead of the one in this love story category." Mr. Koplin just looked at me and said, "Please don't."

Mr. BENNETT. Did you at any time discuss this situation with the sponsors of the program?

Mr. JACKSON. No, sir.

Mr. BENNETT. Do you know anybody in the Revlon Co.?

Mr. JACKSON. No, sir.

Mr. BENNETT. Did you make any effort to advise them?

Mr. JACKSON. No, sir.

Mr. BENNETT. Do you have any information that would lead you to believe that they were aware of the advance preparation which you were given?

Mr. JACKSON. Nothing more than unfounded suspicion, that the ones I had direct contact with were not the ones who were giving the orders. They just worked there. They were carrying out somebody else's orders. Whose I don't know. That is my opinion.

Mr. BENNETT. You never made any complaint of this to any official of the Federal Government or the district attorney?

Mr. JACKSON. No, sir.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS. Reverend Jackson, I believe you said that you were on the program sponsored by Revelon and Kent?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. Is that Kent cigarettes?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. Were you screened on both programs, or did one of them filter you?

Mr. JACKSON. I think I was screened before and then filtered out.

Mr. ROGERS. You received help on both programs, Mr. Jackson, did you not?

Mr. JACKSON. On the "Question," again I got questions which I had answered on the screening. I would not have needed any help on them. They didn't say, "here is the answer."

Mr. ROGERS. Yes, I understand.

The point is simply this: The fellow who was asking you the questions, he knew what you knew and he knew what you did not know?

Mr. JACKSON. Right, absolutely.

Mr. ROGERS. And he had full control and power to let you go on, or to cut you off?

Mr. JACKSON. Right, sir.

Mr. ROGERS. You knew that, did you not, Mr. Jackson?

Mr. JACKSON. Yes, sir; I knew that. There was not a thing I could do about it.

Mr. ROGERS. You were very happy that he asked you the questions that you knew, because you were after the money on the program, were you not?

Mr. JACKSON. That is what I went there for; yes, sir.

Mr. ROGERS. Let me ask you this: Was all of that money, Mr. Jackson, applied on the accumulated debts you spoke about by virtue of your trying to help out those boys in that athletic program?

Mr. JACKSON. Most of it, sir.

Mr. ROGERS. How much is most?

Mr. JACKSON. \$12,000.

Mr. ROGERS. What was the other \$4,000 used for?

Mr. JACKSON. To build me a den on the back of my family house so I would have some place to live.

Mr. ROGERS. Was there another \$4,000 or was that all the money?

Mr. JACKSON. \$4,000 was on the "Challenge;" yes, sir.

Mr. ROGERS. How much did you come out with altogether, \$8,000 minus \$300?

Mr. JACKSON. On "The Challenge"?

Mr. ROGERS. I mean on the whole program, all the programs put together.

Mr. JACKSON. I paid some personal debts. I spent \$3,800 to build me a place to live.

Mr. ROGERS. \$3,800. Is that the den you are talking about?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. How much more did you spend?

Mr. JACKSON. I spent \$2,500 to have a publisher publish a book, which is not yet on the best seller list.

Mr. ROGERS. Is that the book on "Hucksters and Suckers"?

Mr. JACKSON. No, sir; that one has never been published. I have the manuscript if anybody wants to publish it.

Mr. ROGERS. What is the name of the book you published?

Mr. JACKSON. "This Is Love," question mark. I have a copy of it here, sir, if you would like to see one.

Mr. ROGERS. Do you think that title is all right for the source where the money came from?

Mr. JACKSON. I am not sure I understand your question, sir.

Mr. ROGERS. You say, "'This Is Love,' question mark." Do you think the source of that money was a little bit tainted with the question mark, too?

Mr. JACKSON. I don't feel the money I received from the "Sixty-Four Thousand Dollar Question" is tainted in my direction at all, sir.

Mr. ROGERS. That is the \$16,000?

Mr. JACKSON. Yes.

Mr. ROGERS. Is that the part that the \$3,800 for the den came out of, Mr. Jackson?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. You do not feel that was tainted at all?

Mr. JACKSON. Not from my direction; no, sir.

Mr. ROGERS. Even though you knew that the man who was asking the questions had the power to let you go on or to cut you off?

Mr. JACKSON. Yes, sir. But I had no power to do either one.

Mr. ROGERS. You were simply a pawn in their hands?

Mr. JACKSON. Right.

Mr. ROGERS. If they wanted to give you \$16,000 you feel it was their business and not yours?

Mr. JACKSON. I don't know what I could have done. I am sure they would not have allowed me to publicly return it to them. It would have been an admission of guilt.

Mr. ROGERS. You put the \$12,000 in this athletic fund?

Mr. JACKSON. To pay indebtedness on that football game; yes, sir.

Mr. ROGERS. What were the proceeds of the football game to go to?

Mr. JACKSON. To build a boy's home.

Mr. ROGERS. Did you ever get that built?

Mr. JACKSON. No, sir.

Mr. ROGERS. Did you ever get to the point in either one of these programs when the bank had to go to the vault to get a question?

Mr. JACKSON. I never saw anybody go to the bank; no, sir.

Mr. ROGERS. Was it the "Sixty-Four Thousand Dollar Question" where they had a man on there from a bank vault?

Mr. JACKSON. Guards; yes, sir.

Mr. ROGERS. Did he get any of those questions out?

Mr. JACKSON. I never saw any of the guards pull them out. The representative of the bank, a vice president pulled them out of a box.

Mr. ROGERS. That is the one where they said, these questions had been locked up in the vault and no one knew them, not even the man with the key?

Mr. JACKSON. That is right, sir.

Mr. ROGERS. Had you had any screening or filtering on the types of questions before they were fired at you?

Mr. JACKSON. Every question I had was on the screening.

Mr. ROGERS. Then someone besides the man that represented the bank knew what was in those questions before they were ever fired at you, Mr. Jackson; is that not right?

Mr. JACKSON. Obviously.

Mr. ROGERS. What bank was that?

Mr. JACKSON. I may get sued by a bank here.

Mr. ROGERS. What is that?

Mr. JACKSON. Manufacturer's Trust Co.

Mr. ROGERS. Manufacturers Trust Co.?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. Manufactured questions, I guess.

Mr. JACKSON. I might add here there is no use anybody suing me. I haven't got anything.

Mr. ROGERS. Before we get off the \$16,000 question, you say that somebody described to you what happened to a fellow who didn't have enough sense to know when to quit once the business got pretty cool?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. Did they describe what happened to this fellow?

Mr. JACKSON. I don't remember the man's name. He was a truck-driver who was on the subject of geography. He went out very confident at the \$64,000 level and asked for a question. I saw the show that night. They gave him a thing with some maps and outlines. I don't think they even had rivers or dots for cities on there, several of them together, and he took one look at it and said, "You have got me."

Mr. ROGERS. That was all that happened. You did not mean any bodily harm?

Mr. JACKSON. No, no. I had no real reason to say that. That was just something that I—

Mr. ROGERS. Did you have an opportunity to talk with him about whether or not he had been told to quit?

Mr. JACKSON. I never talked to the man himself, sir.

Mr. ROGERS. But you gathered from what happened that it was time for him to get off, and the best thing for him to do was to get off?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. You have not seen him since?

Mr. JACKSON. I have never met the man.

Mr. ROGERS. You did not know him before, either?

Mr. JACKSON. No, sir.

Mr. ROGERS. With regard to this bank situation again, how many questions among those asked you were supposed to have come out of this bank vault?

Mr. JACKSON. You start at \$1,000 that way. That would be the \$1,000 the 2, the 4, the 8, and the 16. That would have been five.

Mr. ROGERS. So every time you were asked a question out of that bank vault, this same statement was made about no one knowing anything about it?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. Did you have any discussion with anyone about that?

Mr. JACKSON. No, sir; not except at home.

Mr. ROGERS. What did you have at home?

Mr. JACKSON. I just told them, people asked me a lot of questions at home about is this as it appears. I said of course not. You know what your category is going to be before you go on. It is a little superfluous to point it out on the board because you already know.

I don't know what would happen to you if you picked one that you were not assigned because they only put cards in that machine for the ones that they know are going to come out.

Well, I can't prove that either. I said I didn't see how the questions could be locked in that safety deposit box, either.

Mr. ROGERS. Did you pay your own expenses?

Mr. JACKSON. No, sir; they paid them.

Mr. ROGERS. They paid your expenses?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. How did you travel? By air?

Mr. JACKSON. No, sir. I traveled by train.

Mr. ROGERS. By train. Did they pay your mileage and a per diem expense?

Mr. JACKSON. No, sir; they paid my transportation cost, with a bedroom on the train, and gave me \$7.50 a day per diem, in addition to room at the Winslow Hotel on 55th and Madison.

Mr. ROGERS. \$7.50 per day?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. Was that to eat on?

Mr. JACKSON. Yes, sir; to eat on. You don't eat much in New York on that.

Mr. ROGERS. I could say you cannot eat much anyplace for that.

Mr. JACKSON. Oh, I can at home.

Mr. ROGERS. I am coming down to your town and visit you. I have not found a place yet.

Mr. JACKSON. I would like to see you when you come down.

Mr. ROGERS. \$20,000 was over and above any expense money that you were out?

Mr. JACKSON. Yes, sir.

Mr. ROGERS. Do you know how much expense money you got altogether?

Mr. JACKSON. No, sir; I don't. I would guess somewhere between \$900 and \$1,200.

Mr. ROGERS. Between what?

Mr. JACKSON. I would guess somewhere between \$800 or \$900 and \$1,200. I kept no accurate record.

Mr. ROGERS. To go back to this money again, the \$20,000, the \$12,000 you paid on the debts; \$3,800 you paid on this den on your home; what did the other \$4,200 go for? Three hundred went to whom?

Mr. JACKSON. Three hundred went to her. Some went for taxes.

Mr. ROGERS. That left \$3,900 for taxes.

Mr. JACKSON. As I say, I paid some personal debts that I had ever since I tried to promote ball games. I had not had enough income for 5 years when I was trying to promote these things; I hadn't had enough personal income to pay tax on \$600.

The CHAIRMAN. You made the point, Reverend Jackson, about the situation getting to the place where it looked like everyone was being judged, insofar as their character and everything else about them, good or bad, was concerned, on how much money they had in the bank. That is true, is it not?

Mr. JACKSON. Yes, sir. When I was struggling to get on something or do something whereby I could do something, I walked around my own home town for about 3 years in the midst of these promotions and losing money when I was trying to make some for the boys.

The reason I didn't build the boys' home is because I didn't make any; I lost it. I was not cordially received at homes. When I came back home knowing that I had gotten as far as \$8,000 and could not go back below the Cadillac, which I could have swapped for \$5,000 cash anyway, I became a little more popular figure around home.

The CHAIRMAN. Your stock went up promptly.

Mr. JACKSON. They didn't ask me anything about the details, either.

The CHAIRMAN. Do you not think that whatever you got or did not get out of this, that you got some subjects for some pretty good sermons in your religious work?

Mr. JACKSON. Yes, sir; and two or three good books, if I could get somebody to publish them without charging me for the publishing.

The CHAIRMAN. Did you at any time make an effort to get in touch with the Federal Communications Commission or the Federal Trade Commission?

Mr. JACKSON. No, sir; I did not.

The CHAIRMAN. Did you make this information known to anyone connected with the Government?

Mr. JACKSON. No, sir; I didn't.

The CHAIRMAN. Either the local government or the Federal Government?

Mr. JACKSON. No, sir; I did not. My opinion was at the time, I may be greatly in error, that the place to handle it was at the source.

The public supports them by purchase of the products. I thought the best way to get justice done was to appeal to the public, but I learned better.

Mr. ROGERS. Did it ever occur to you to go to some Government official or take it up with your Congressman?

Mr. JACKSON. I discussed it with one or two persons and they advised very strongly against it. They said, "don't stir up a mess."

Mr. ROGERS. When did your name first become connected with this sort of thing?

Mr. JACKSON. September of 1958.

Mr. ROGERS. September of 1958. Was it widely and publicly associated with it at that time?

Mr. JACKSON. Yes. More widely than I had anticipated. I might have kept my mouth shut a lot longer if I had known how widely.

Mr. ROGERS. Did any representative of the Federal Communications Commission ever, at any time, make any request of you or ask you any questions concerning this, Reverend Jackson?

Mr. JACKSON. No, sir.

Mr. ROGERS. Did anyone attached to the Federal Trade Commission, at any time, make any inquiries of you concerning these activities and what you divulged here today?

Mr. JACKSON. No, sir.

Mr. ROGERS. Not to this date has any Government employee of either of the two agencies ever approached you on this subject, for any purpose whatsoever. Is this not true?

Mr. JACKSON. No, sir.

A representative of this committee is the only person who has ever contacted me.

Mr. ROGERS. That is all, Mr. Chairman.

Mr. CHAIRMAN. Mr. Derounian.

Mr. DEROUNIAN. Reverend Jackson, I was interested in your reference to the effect these phony programs had on children.

You mentioned it has been difficult, for you in particular, to explain to the children of your community about these programs. Do you want to elaborate a little on that?

Mr. JACKSON. If I said it has been difficult for me to explain to them, sir, I misstated what I meant to say.

What I said was that I would be terribly perturbed even on the question on which I insist I felt I had no guilt, if I could not explain it in a way that a child could understand, that I would be very perturbed about it. Any association of mine, however willful or unwilling, that would adversely affect a child, would prey on my mind.

Mr. DEROUNIAN. Do you think these quiz programs have had an adverse effect on the children of our country?

Mr. JACKSON. I do, sir.

Let me add, as I say, the general attitude of most persons—maybe they have transmitted the attitude to the kids—they don't seem to be particularly concerned about asking questions about it.

Mr. DEROUNIAN. No further questions.

The CHAIRMAN. Mr. Moss.

Mr. Moss. Reverend Jackson, you indicated that you tried through contacts to Time magazine and the New York Times, the Tennessean in your own State and your local publisher to get this information out. Were you requested by the district attorney of New York or the New York Grand Jury to appear and testify?

Mr. JACKSON. When the story first came out in September 1958, I was asked by the district attorney of New York County to come and talk to them. At the time they may have thought it was a mere excuse, I don't know; it happened I had just sustained a fractured rib 2 days prior to the time they called me, and I hold them that fact. They asked me to call them back or maybe they would call back in a certain length of time and see how I was feeling at the time.

In the meantime, I contacted a local attorney and asked him if I had to go to New York to testify. He advised me that since it was not a Federal grand jury that it would be difficult to force me to go.

I wrote them and told them, when they were ready to contact me again, to contact this attorney and I never heard any more from them.

Mr. Moss. This was an opportunity, was it not, for you to get the story out or to get it before officials who might be in a position to act on it?

Mr. JACKSON. I suppose it was; yes, sir. But as I say, I was injured at the time. It takes some time for those things to heal.

Then beyond that, I had heard the rumor that there would be further investigation of the thing and I preferred to testify here than before the district attorney. He did not ask me to appear before the grand jury. He just asked me to come and talk to him at the office.

Mr. Moss. Did you ever indicate your willingness to discuss it upon the healing of the fractured rib?

Mr. JACKSON. No, sir. I never had any further discussion with them until maybe 2 or 3 months ago, in which I sent them the same copy of the same manuscript forwarded to Mr. Harris, and told them I would be willing to talk to them.

Mr. Moss. Now, on the matter of questions, on the "\$64,000 Question," as I understand it you were given a screening.

Mr. JACKSON. Yes, sir.

Mr. Moss. Which consisted of series of questions?

Mr. JACKSON. Yes, sir.

Mr. Moss. And subsequently on the programs, the questions asked of you were questions about which you had sufficient general knowl-

edge to answer correctly. Did they ask you any questions you had not answered correctly in this screening?

Mr. JACKSON. No, sir.

Mr. Moss. You indicated that after the Tennessean story broke that you were contacted by CBS?

Mr. JACKSON. Yes, sir.

Mr. Moss. What was the nature of the contact?

Mr. JACKSON. Mr. Thomas Fisher called me to ask me about the revelations that I had made in that story and talked to me quite some time. Then he called me back again with Mr. Steve Carlin on an extension and talked to me in the presence of Mr. Carlin?

Mr. Moss. Who is Mr. Carlin?

Mr. JACKSON. He is executive producer of Entertainment Productions, Inc., or was at that time. I assume he still is.

Mr. Moss. What was the result of that conversation?

Mr. JACKSON. Not any that I know of, except the Tennessean quoted him as saying they were investigating it. Later the programs were dropped.

Mr. Fisher told me that the programs were dropped because of low ratings and not because of anything I had said.

Mr. Moss. He told you that the program was dropped because of low ratings, and not as the result of your disclosure to them?

Mr. JACKSON. Yes, sir. I have a letter to that effect at home.

Mr. Moss. Mr. Chairman, I would like to suggest, if he has a letter to that effect, that we request a copy for the files of the subcommittee.

The CHAIRMAN. I am sorry, what was the nature of the letter?

Mr. Moss. A letter from Mr. Carlin; is that correct?

Mr. JACKSON. No, sir. Mr. Thomas Fisher.

Mr. Moss. Mr. Thomas Fisher of CBS.

Mr. JACKSON. If you give me just a minute, I may have it.

Mr. Moss. Stating that the "\$64,000 Question" was dropped as a show, not because of the disclosures made by Reverend Jackson, but because of low ratings?

Mr. JACKSON. This may be it, sir.

No, sir; that statement is not contained in this letter. I called him long distance one day because the publisher of this book, a subsidy publisher, had told me that they were not able to do much on the publicizing of the book because it depended heavily on television and radio and tried to get network interviews and the network would not have anything to do with anybody who had anything to do with the TV quiz scandals.

I asked Mr. Fisher if this was true. Are my statements to the newspaper responsible for putting the show off the air, the "Challenge" and the "Question," and he said they were not.

Mr. Moss. When was this?

Mr. JACKSON. I do not remember the exact date, sir.

Mr. Moss. Do you have an approximate date?

Mr. JACKSON. It was this summer as near as I can date it for you, sir. I became increasingly perturbed because of some mail I was getting and other comments, you know, "I guess you think you are a big wheel; you are the guy who put the '\$64,000 Question' and 'Challenge' off the air."

Then with this information from the publishers, this letter is simply explaining to me, it is all in my head if I think they had anything to do with keeping the name of my book off the air.

The CHAIRMAN. Do you want him to supply the letter, Mr. Moss?

Mr. MOSS. No. He has testified that the statement was made in a telephone conversation, rather than a letter.

Mr. JACKSON. I thought there was a reference to that in this letter, but there is not directly.

Mr. LISHMAN. May I see that letter?

Mr. JACKSON. Yes, sir (handing document).

Mr. MOSS. You mentioned the general attitude of the public, indicating that you had received critical comment from people around the country; is that correct?

Mr. JACKSON. Yes, sir.

Mr. MOSS. What do you think the effect will be following the focusing of attention today on the disclosures that: first a teacher appeared before us and stated that he went along with this sort of fraudulent presentation to the public and now we have a minister?

While I recognize that it is very true, what you said, that being ordained does not make a saint of one, nevertheless, is it not true that it is the teachers and the ministers, together with the family, that usually inculcate the standards in the young?

Mr. JACKSON. I think the family more than the minister; yes, sir. Do not misunderstand anything I say as an effort to evade any responsibility of my own, which, as I have stated, I feel firmly that I had no responsibility on the "Question" because there was not anything I could have done about it. What I have said here is nothing that I have not told hundreds of persons a long time ago even while I was on the show, and I asked their advice as to what to do.

"Shall I continue or shall I not?" I was ready to quit. I came home very disturbed about the fact of whether I had a right to continue when I was getting questions that I had gotten on the screenings and asked very responsible persons what shall I do, and they said "You haven't cheated anybody. Don't stir up a big fuss." I was warned several times, even as late as 2 or 3 months ago, "Why don't you drop this thing and quit saying anything about it? Don't fight something that is bigger than you are, that you can't handle."

Mr. MOSS. Of course, the alternative open to you was that you did not have to go on with the program.

Mr. JACKSON. That is right, sir. Had anyone concurred with me in my question or fear about it, I would have quit at that time. Only I know whether I am telling the truth or not.

Mr. MOSS. Sir, if the questions were oriented to your general field of knowledge, then were not the other contestants, unless they were given the equal opportunity, also cheated?

Mr. JACKSON. On the "\$64,000 Question" there is no other contestant. You are not competing with anybody. You are by yourself against those little cards. You are only competing against an opponent when you go to the "\$64,000 Challenge."

Mr. MOSS. On the "Challenge," though, someone was cheating?

Mr. JACKSON. Yes.

I have stated here that I tried my best to get something done about it. I tried to make it known and nobody would listen to me because it was not a popular thing then.

Mr. MOSS. That is all the questions I have.

MR. ROGERS. Mr. Jackson, did you identify the party that told you about not being foolish or not fighting something bigger than you are?

MR. JACKSON. No, sir; I didn't identify them because there are at least 50 of them. I would not want to.

MR. ROGERS. Would you feel free to identify any of them?

MR. JACKSON. No, sir; I would not. They are personal friends of mine and I would not want to divulge their names under any circumstances because they are quite honest in it, I am sure.

MR. ROGERS. Were they from around your hometown?

MR. JACKSON. Yes, sir.

MR. ROGERS. People that you know and are with every day?

MR. JACKSON. Yes, sir.

MR. ROGERS. I believe that is all, Mr. Chairman.

THE CHAIRMAN. Is there anything further, Mr. Lishman?

MR. LISHMAN. No, sir.

THE CHAIRMAN. Reverend Jackson, thank you very much for your appearance here and your testimony.

MR. JACKSON. May I ask, Mr. Chairman, am I excused now?

THE CHAIRMAN. You are excused. You may go if you desire.

MR. JACKSON. Thank you.

THE CHAIRMAN. Before I call Mr. Cohn, I am going to ask one of the staff members, Mr. Howze, to take the witness chair.

Will you be sworn?

Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

TESTIMONY OF CHARLES P. HOWZE, JR., ATTORNEY

MR. HOWZE. I do.

THE CHAIRMAN. Have a seat.

Will you state your name for the record, please?

MR. HOWZE. Charles P. Howze, Jr.

THE CHAIRMAN. What is your occupation or work?

MR. HOWZE. I am staff attorney with this subcommittee, sir.

THE CHAIRMAN. You are a staff member who has been engaged in investigation of the matter under hearings at this time?

MR. HOWZE. Yes, sir.

THE CHAIRMAN. As a staff member of the subcommittee, did you have occasion to interview Mr. Wilton J. Springer?

MR. HOWZE. I was rather in a hurry last week and I was given Mr. Springer's grand jury testimony to read. On the basis of that, I prepared a written statement to be signed and sworn to by Mr. Springer.

The reason for that, sir, was that Mr. Springer has only recently come out of a hospital with a very severe heart attack and is under medical orders not to leave his apartment. That is the reason he has not been called down here to testify. So I went to Mr. Springer's home and Mr. Springer signed the statement which I will read.

The CHAIRMAN. When did Mr. Springer have the heart attack?

Mr. HOWZE. I am not sure of that, sir. To the best of my knowledge, several weeks ago.

The CHAIRMAN. He was in the hospital for a number of weeks?

Mr. HOWZE. That is my understanding, sir.

The CHAIRMAN. How long has he been out of the hospital?

Mr. HOWZE. I was told last week, sir, that he had been out about 2 weeks. That was last Wednesday, I think the 28th.

The CHAIRMAN. He was under doctor's orders not to leave his apartment?

Mr. HOWZE. Yes, sir.

The CHAIRMAN. This statement was prepared from his testimony before the grand jury and you carried it to him and discussed it with him, did you not?

Mr. HOWZE. I presented it to him, sir, and he got his attorney on the telephone, read the statement to his attorney, and I talked to his attorney on the telephone and the attorney told me that he thought this properly reflected the testimony which he, the attorney, knew that Mr. Springer had given before the grand jury last year.

The attorney also advised me that he had told Mr. Springer that he wanted him to tell the full truth to the grand jury and the full truth to us. So far as I know, Mr. Springer has done that.

The CHAIRMAN. And this is the statement that Mr. Springer under those circumstances signed as his statement?

Mr. HOWZE. Yes, sir.

Mr. Chairman, in preparing this statement, I made it as concise as I could and wanted to concentrate on the incident of Mr. Springer's appearance on the March 23, "\$64,000 Challenge." That is 1958. I think that is what we are interested in now, and also the incident as to which the next witness will testify.

The CHAIRMAN. Yes. That is the reason we wanted this statement in at this time. So you may proceed to read the statement.

Mr. HOWZE (reading) :

**SWORN STATEMENT OF WILTON J. SPRINGER, 1765 DAVIDSON AVENUE, BRONX, N.Y.,
GIVEN TO CHARLES P. HOWZE, JR., ATTORNEY, SPECIAL SUBCOMMITTEE ON LEGISLATIVE OVERSIGHT**

I, Wilton J. Springer, of 1765 Davidson Avenue, Bronx, N.Y., first being duly sworn, do freely and voluntarily, under no compulsion and with no promise of reward, make the following statement to Charles P. Howze, Jr., attorney for the Special Subcommittee on Legislative Oversight of the Committee on Interstate and Foreign Commerce, House of Representatives:

On March 16 and March 23, 1958, I appeared as a contestant on the "\$64,000 Challenge," a quiz program produced by Entertainment Productions, Inc. and broadcast by the Columbia Broadcasting System television network. I appeared as the champion. Arthur Cohn was my opponent. The category was "Theater." About 1 or 2 hours prior to my appearance on the program on March 23, 1958, I had a meeting with Miss Shirley Bernstein in a dressing room. At this meeting, Miss Bernstein asked me some 15 to 20 questions in the "Theater" category. As I recall, Miss Bernstein carried a lot of notes with her. To some of the questions Miss Bernstein asked me, I knew the answers. If I did not know the answer to a question, Miss Bernstein supplied the answer. Some of the questions asked me by Miss Bernstein in the dressing room were asked me during my appearance on the program.

The \$1,000 question asked me on the program was, in substance, "What is the name of the play of which the setting was Camp Carefree?" The answer was "Having a Wonderful Time." Miss Bernstein had asked me that question and I knew the answer.

The \$2,000 question I was asked involved naming the plays in which the characters Grandpa Vanderhoff and Major Joppolo appeared. This question had been asked me by Miss Bernstein prior to the program. I had known that Grandpa Vanderhoff was a character in "You Can't Take It With You." Miss Bernstein supplied me with the name of the play in which Major Joppolo was a character.

The \$4,000 question I was asked on the program was substantially as follows: "I will name the feminine member of a romantic team from two different American plays. First, name the play from which the character comes. Then name the male half of this theater romance. The first character is Patty O'Neil; second, Maggie Cutler." This question was also among those asked me by Miss Bernstein in the dressing room prior to the program. She supplied me with the answers, which I had not known.

I answered all of the foregoing questions correctly on the program and "won" \$4,000. I was paid that amount in full by check the day following my appearance on the program.

During the interview referred to above, Miss Bernstein had not, at any time, intimated that any of the questions she asked me at that time would later be asked me on the program. Between my interview with Miss Bernstein and my appearance on the program, I mentioned to my opponent, Mr. Cohn, my interview with Miss Bernstein and that she had asked me some questions to which I had not known the answers. Mr. Cohn had not had an interview with Miss Bernstein. He appeared very much interested in the fact that I had had such an interview.

The next day, I telephoned Miss Bernstein in response to a call she had made to me. She tried to prevail on me to communicate with Mr. Cohn and to try to induce him not to make any public disclosure of the above-described events. I did not get in touch with Mr. Cohn.

I make the foregoing statement in the full knowledge that it may be used as testimony by the aforesaid Special Subcommittee on Legislative Oversight in its investigation of television quiz programs.

(Signed) WILTON J. SPRINGER.

Signed to and sworn to before me this 28th day of October.

WILLY NAUMBURG,
Notary Public, State of New York, No. 03-2853475.

Qualified in Bronx County. Commission expires March 30, 1961.

The CHAIRMAN. Are there any questions by any members of the committee?

If not, you may stand aside.

The CHAIRMAN. Mr. Arthur Cohn. Are you Arthur Cohn?

Mr. COHN. Arthur Cohn, Jr.

The CHAIRMAN. Do you solemnly swear the testimony you will give to this subcommittee to be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COHN. I do.

The CHAIRMAN. Have a seat. You have stated your name for the record.

TESTIMONY OF ARTHUR COHN, JR.

Mr. COHN. Yes, sir.

The CHAIRMAN. Will you state your address?

Mr. COHN. I live at 430 East 63d Street, New York City.

The CHAIRMAN. What is your business?

Mr. COHN. I am an advertising salesman.

The CHAIRMAN. Were you one of the contestants on the "\$64,000 Question" or "Challenge"?

Mr. COHN. The "Challenge."

The CHAIRMAN. Perhaps, Mr. Lishman, you had better proceed.

Mr. LISHMAN. Mr. Cohn, you were a contestant opposite Mr. Wilton Springer on the evening of March 23, 1958, on the "Challenge," is that correct?

Mr. COHN. Yes.

Mr. LISHMAN. We will now ask for a showing, a kinescopic reproduction of that program, that portion of the program the evening you appeared opposite Mr. Springer, and I will ask you to listen carefully to the dialogue because questions will be asked about it.

(Showing of kinescope.)

Mr. LISHMAN. Mr. Cohn, did the kinescope you have just seen accurately depict the contest in which you were engaged on March 23, 1958, on the "\$64,000 Challenge"?

Mr. COHN. Yes; including the worried look.

Mr. LISHMAN. Including the worried look. Preceding the program that evening, could you describe what happened at a meeting you had with your opponent, Mr. Wilton Springer?

Mr. COHN. That is on March 23?

Mr. LISHMAN. Yes.

Mr. COHN. That was the night. The week before we were just introduced, on the 16th. On the 23d, Miss Shirley Bernstein said, "Good evening, Arthur. You don't look nervous or worried. Will you please send in Mr. Springer? I want to give him some warmup questions." That was probably around 8 o'clock that night, even though the program did not go on the air until about 10.

Mr. LISHMAN. This was at the studio?

Mr. COHN. Yes.

Mr. LISHMAN. Do you recall where that was?

Mr. COHN. West 52d Street, I think.

Mr. LISHMAN. Yes, sir.

Mr. COHN. I had met Mr. Springer previously—months before—backstage, for 6 weeks, so we sort of knew each other by first names. I said, "Wilton, Miss Bernstein is calling you." I went to the front of the orchestra and sat with my wife and an aunt of mine and a guest. I would say about 10 or 15 minutes later, Mr. Springer came to the front of the orchestra and said, "I would like to speak to you." We sat across the aisle from my wife, my guest, and my aunt. He said, "Arthur, I think you know the theater. You don't know anything. They are going into secondary leads in plays." Up to this time we both had studied so and so, and so and so was in such and such a play by such and such a playwright. None of—neither of us did know characters' names in plays, outside of possibly a show or a very important playwright. I said, "Give me a for instance." He said, "Maggie Cutler. Do you know Maggie Cutler?" I said, "No, I don't." Maggie Cutler was the secretary's name in "The Man Who Came to Dinner." When you study or reread about thousands of plays—I am getting longwinded myself—you come to a play like "The Man Who Came to Dinner" and you try to remember it was written by Moss Hart and George S. Kaufman and Monte Woolley was in it. Possibly there was an important player, maybe you remember that Sheridan P. Whiteside was his name. You would not dwell on the fact that Edith Atwater, the actress, took the part of Maggie Cutler. At least I didn't. I said, "Can you give me another example?" He said, "Peggy O'Neil." I noticed it was Patty O'Neil

so you still didn't look it up. It was not a secondary lead. By this time he was frantic. He said, "I have to know what types of questions and what books to study for next week." I meant to interrupt when he told me about Maggie Cutler—I ran across the aisle and said to my wife and Mr. Simpson, my guest, "We studied the wrong things. You never asked me about Maggie Cutler." When I got back and heard about Peggy O'Neal or Patty O'Neil, I said "You never asked me about Patty O'Neil, either." He wanted to find Miss Bernstein. My wife said, "Isn't it funny that you got warmup questions and not my husband?" He didn't know anything about that.

Mr. LISIMAN. So before your appearance on the contest that evening, Mr. Springer had come to you and had told you the questions and answers which had been asked him in the warmup session by Miss Bernstein, is that correct?

Mr. COHN. That is right, and which he said he did not know.

Mr. LISIMAN. And which he said he did not know. Then on the program it actually happened that these same warmup questions were asked?

Mr. COHN. Yes, about Maggie Cutler and Patty O'Neil. Whether he knew more than that, I don't know.

Mr. LISIMAN. What was your feeling when you heard them being asked on the program?

Mr. COHN. As you saw there, there was only a few seconds to have feelings. I was nervous. I did feel that I was going to blurt out the entire thing. At the risk of being goody-goody—and I hate holier-than-thou people—it was just cheating. I was terribly upset, and I was going to blurt it out. Then I thought nobody wants a troublemaker, and I made up my mind then and there, at the risk of sounding a goody-goody, I would complain immediately after the show. I did, 1 hour later.

Mr. LISIMAN. Whom did you complain to?

Mr. COHN. I think by 11:30 I called Shirley Bernstein and at 11:50 I called by attorney in Rochester.

Mr. LISIMAN. Who is she?

Mr. COHN. She was associate producer at the time I was on the show.

Mr. LISIMAN. Entertainment Productions, Inc.?

Mr. COHN. Yes.

Mr. LISIMAN. Who was the producer?

Mr. COHN. Steve Carlin, I think.

Mr. LISIMAN. Would you please describe the substance of your talk with Miss Bernstein?

Mr. COHN. Yes. To make a long story short, because usually when you say "make a long story short," by that time it is too late. I will make it fast. I said to Miss Bernstein "How could you do such a dastardly thing of telling a contestant a question, and answer, in a warmup meeting and not even give a warmup meeting with the other contestant?" Of course, she denied it right away. I said, "Of course, there is no sense denying it because I have my wife and a couple of guests with me; or shall I say 'witnesses.' What you don't know, Miss Bernstein, is that immediately after the interview with Mr. Springer, he came back and told us about Maggie Cutler and Peggy O'Neil."

Well, she just continued to deny it. She just said, what an amazing coincidence, she couldn't understand how the questions could get on a warmup session that particular night. My last words were, "I hope you sleep well."

Mr. LISHMAN. Did you have any further conversations with Miss Bernstein about this matter?

Mr. COHN. Yes. That was Sunday night. Oh, no, at that time I did ask for copies of the releases. I had previously signed them and my lawyer wanted to see them.

Mr. LISHMAN. What did you mean, "release"?

Mr. COHN. When you sign for the program, you sign about three or four pages. In fact, I didn't even read them, and being a businessman, I remember at the time asking for copies, and they said it is just procedure. Mostly it states that you can't go on, we will say "Twenty-one," or a competing quiz show.

Mr. LISHMAN. Did you get a copy of the release that you signed?

Mr. COHN. Yes, finally, because that was Sunday night when I asked for the release, but Tuesday when she didn't give it to us, my wife called and said, "We have nothing to hide, why not send the releases?" It was sent by messenger that night. Tuesday evening, of her own accord, Miss Bernstein called me. Even I was shocked that she would have called me, saying that she had not slept since Sunday night, worrying about the amazing coincidence of how those questions got on the warmup with Mr. Springer, and she hoped I would not make trouble. I said I had not decided, but 9 times out of 10 I would not sue; that it was a humiliating experience, and I would rather forget the whole business, with the exception that she nor anyone else could stop me telling my friends.

Mr. LISHMAN. Did you tell your friends?

Mr. COHN. Yes. I wrote a letter which my wife mimeographed to about 25 people.

Mr. LISHMAN. What was the substance of that letter?

Mr. COHN. Just what I told you.

Mr. LISHMAN. It told how the show had been fixed?

Mr. COHN. Yes.

Mr. LISHMAN. I notice in the kinescope that you were awarded a so-called consolation prize of \$250, is that correct?

Mr. COHN. That is correct.

Mr. LISHMAN. I will hand you two papers and I would like to have you identify each, please.

Mr. COHN. The reverend said they usually say, "See you later," but they did not to me.

Mr. LISHMAN. Is this the first paper you are identifying?

Mr. COHN. The pink one, given to me on the program, Arthur Cohn, \$250, and signed.

Mr. LISHMAN. Your name was typed in there?

Mr. COHN. Handwritten. I was told this was not the check.

Mr. LISHMAN. What is the second paper? And what is its date?

Mr. COHN. The second check states "\$64,000 Challenge," and it is the National Society for Crippled Children for \$250, and signed by Mr. Revson and Mr. Bricker, I think, of Kent cigarettes.

Mr. LISHMAN. Now, Mr. Cohn, you were rather upset about this whole occurrence; weren't you?

Mr. COHN. Terribly.

Mr. LISHMAN. Unlike anyone that has so far appeared before us, you did something with the \$250 check besides putting it in your pocket; didn't you?

Mr. COHN. Yes.

Mr. LISHMAN. I would like to have you tell us what you did with that \$250.

Mr. COHN. Wednesday morning, and the program was Sunday, Tuesday night Shirley Bernstein called after I called her Sunday night, Wednesday morning I was called to the Revlon offices, the advertising director at the time was Mr. George Abrams, and Mr. Mandel. They wanted to hear the story. They said, walking out of the theater that Sunday night they had heard either me or some of my guests say that I was going to sue. Even though I liked the program and I admit I believed and prided myself that I knew the theater and was naturally hoping to make some money, I was not publicity crazy in wanting to sue. I would much rather forget the whole thing. It was humiliating and it hurt me in business. When they asked me to come up, I went up to see them.

Mr. LISHMAN. Who was present there?

Mr. COHN. Mr. Mandel and Mr. Abrams. That was the advertising director and his assistant.

Mr. LISHMAN. The advertising director for who?

Mr. COHN. Revlon.

Mr. LISHMAN. What was the conversation you had at that time?

Mr. COHN. I had known Mr. Abrams, in fact I had done business with him several years ago, or at least a year before the program, when he was over at Bloch Drug. I had done business with him later. I told him my story. They apparently believed me. They were upset. They said that even if they were very charitable and stated it was an amazing coincidence, there was no excuse to have this amazing coincidence because EPR were then in their third year of running the program or programs and they should know better. They were going to raise the devil with Entertainment Productions because they said it smelled bad as far as they were concerned. I said again at the risk of my halo being tight, I don't want the \$250, not that I am so rich, but it is dirty money and I have to live with myself.

May I just say one thing. Again I say, I don't want to be goody-goody or holier than thou. I don't deserve the credit. In all sincerity I think it is due to my background and my upbringing and my good wife, that it was very easy for me to decide to do what I wanted to do, as I saw things the right way. Because I was brought up that way. So it was really no reflection on me. I told them I didn't want the \$250. They insisted that it would upset their bookkeeping.

Mr. LISHMAN. What is that answer?

Mr. COHN. I said I didn't want the \$250. They pleaded with me to take it, that it would upset their bookkeeping.

Mr. LISHMAN. Who pleaded with you?

Mr. COHN. Mr. Abrams. I said, making such a big fuss about it, I am interested in the crippled children charity, there is a chapter in New York, but I think the national one is in Chicago, and that they could make out the check to this Society for Crippled Children and send it to me or I could send it to them. They could send it direct.

"Oh, no, we will send it to you." They wanted to get it out of their hands. They sent it to me. I got a photostat copy of it and sent it to Chicago.

Mr. LISHMAN. You did forward the amount of that \$250 to this National Society for Crippled Children & Adults in Chicago; is that correct?

Mr. COHN. As soon as I received their check.

Mr. LISHMAN. I am going to hand you a paper and I would like you to read this paper into the record. It appears to be an acknowledgement received by you for the \$250 but I want you to identify it as such, and read it.

Mr. COHN (reading) :

THE NATIONAL SOCIETY FOR CRIPPLED CHILDREN AND ADULTS IN CHICAGO,

April 7.

DEAR MR. COHN: Thank you very much for the generous check and for your note telling of its having been the consolation prize on the "\$64,000 Challenge." We have heard a great deal of comment about your spontaneous and effective pitch for crippled children and their Easter seals on that show. We are deeply grateful to you for it and are delighted to find a friend working so wholeheartedly for us. May I express the gratitude of the Easter Seal family for your generous gift.

That night that I lost was March 23, but the previous week when we were on for only about 5 minutes, it was the Easter Seal time, and I think we did talk about the crippled children. That is the letter.

Mr. LISHMAN. Will you please read who signed that letter, and on what letterhead does it appear?

Mr. COHN. The letterhead is the National Society for Crippled Children & Adults, Inc.

Mr. LISHMAN. What is the address, please?

Mr. COHN. 11 South La Salle Street, Chicago, Ill.

Mr. LISHMAN. Who is it signed by?

Mr. COHN. It is signed by Dean W. Roberts, M.D., executive director.

Mr. LISHMAN. So it is a fact that because you were unable to return the check to Revlon that instead of accepting it, you had it sent, or the amount thereof sent to this charitable institution?

Mr. COHN. I never got a check. There is no check to Arthur Cohn, Jr. There is a check only to Crippled Children.

Mr. LISHMAN. The check was sent direct?

Mr. COHN. They sent it to me. No check to Arthur Cohn, Jr. There is the check there.

Mr. LISHMAN. It was drawn to them?

Mr. COHN. It was drawn to the society.

Mr. LISHMAN. In order to complete the record, I think we better put this check in evidence if you will identify it as a check which was drawn as described.

Mr. COHN. I do. That is the photostat. When I got the check, I made a photostat of it and the original I did send.

Mr. LISHMAN. Mr. Cohn, you have testified about this release, that you were finally able to get from the producer. I show you a paper and ask you to identify it, because I would like to have a photostatic copy of this document introduced into the record as soon as we can obtain the photostat.

(The document referred to follows:)

\$64,000 CHALLENGE

"CHALLENGER"

**ENTERTAINMENT PRODUCTIONS, INC.,
575 Madison Avenue
New York, New York**

MARCH 16, 1958.

GENTLEMEN: In consideration of your considering me as a possible participant and/or challenger on your television program entitled THE \$64,000 CHALLENGE, I hereby agree to appear as a participant and/or challenger on said television program if I am finally selected by you as a participant and/or challenger thereon without any compensation therefor other than my appearance thereon. In the event that at any time prior to my appearance on the contemplated telecast, you elect not to permit me to appear on the telecast or having permitted me to appear on the telecast, do not allow me actually to be a participant and/or challenger on the program, you shall not be under any obligation to me of any nature or description, except as hereinafter set forth.

In the event that you permit me to appear on said television program and/or I participate therein at your election as a participant and/or challenger, I agree to be bound by the terms and conditions hereinafter set forth, it being understood between us that you would not have permitted me to appear on said program and/or participate therein as a participant and/or challenger unless I agree to the following terms and conditions:

1. I do hereby waive, release and discharge you, any sponsor or sponsors of the television program, its or their advertising agencies, the television station or stations over which the program is telecast, the network telecasting the program from any and all claims, liability, causes of action or damages, whether due to your or their negligence or not, that I may presently have or hereafter may become entitled to or can have against you or them as a result of my participation on the program and/or as a participant and/or challenger thereon, and as a result of any misquotation or misstatement.

2. I understand that a kinescope recording or film may be made of said program and I do hereby consent that such recording or film or any part thereof may be used from time to time for public telecasting and for any other purpose that you may so desire, without any limitation on the time or the use or sponsorship of said film or recording. In the event that you should decide that I have won any prizes, I agree to cooperate with you, any sponsor or sponsors of the program, their advertising agency or agencies and the telecasting network in connection with any publicity, exploitation or advertising that either you or they may issue or release in connection with the prizes which I have won and I agree that you shall have the right to use my name, photograph and likeness in connection therewith.

3. I agree to be bound by any and all rules or regulations and any modifications or changes thereof which may be promulgated, announced or adopted by you from time to time in connection with my participation on THE \$64,000 CHALLENGE television program or the appearance of any participants and/or challengers on said program or the answering of any questions or the awarding of any prizes in connection therewith or the number of sequence of my appearances on said television programs, whether or not I have actual or constructive notice of such rule or rules or any modifications or changes thereof or am actually aware thereof or whether or not such rules are adopted between, during or prior to any programs on which I may appear.

4. I agree that your judgment as to whether I have given the correct answer to any question or questions or series of questions that have been put to me shall be final, binding and conclusive upon me and I hereby waive any and all right or claim that I may have, if any, to challenge the correctness of any determination made by you in such connection.

5. I agree that in the event of any controversy between us of any nature whatsoever, including but not limited to matters affecting my participation in the program, whether I have answered any questions correctly and the amount of prizes, if any, to be awarded to me, the following provisions shall prevail:

(a) I shall have no right of action of any nature whatsoever arising out of my appearance on or participation in the program or any rights flowing therefrom against any sponsor or sponsors, their advertising agency or

agencies or television network, my sole remedy, if any, being exclusively against you.

(b) The courts of the State of New York shall have exclusive jurisdiction of any such controversy.

(c) I hereby waive any and all claims that I may have against you, unless I give you notice in writing within fifteen (15) days after such claim arises of the existence thereof, and commence suit against you on such claim within six (6) months after such claim arises. Unless I comply with this provision, I shall be deemed to have irrevocably waived and released any and all of such claims.

7. I agree to return and participate in any subsequent television programs after my first appearance on the television programs, if you shall so direct, without any compensation therefor for the purpose of answering additional and further questions to be submitted to me.

8. I understand that no officer, director, stockholder or employee of any sponsor of the program or of any advertising agency of any sponsor, the telecasting system over which the program is being telecast or any telecasting station thereof or any distributor, wholesaler or retailer of the sponsor's products or of the producer is eligible to participate on or as a challenger of THE \$64,000 CHALLENGE television program, and I hereby represent that I do not fall in any of the foregoing categories. I further represent that I have received no assistance, direct or indirect, from any employee of yours, or any sponsor or sponsors of the program or their advertising agency or the telecasting system, in connection with my participation on or as a challenger on the program.

9. I understand that you are permitting me to appear on said television program and participate therein by reason of my execution of this release, by which I intend to be fully bound. This release has been executed in the State of New York and shall be governed by the laws of the State of New York and cannot be varied except by an instrument in writing.

10. I hereby grant to you the right to use my appearances on THE \$64,000 CHALLENGE, television program, and any and all statements and material spoken by me thereon, my name, photograph, facsimile, likeness or portrait, my biography, my background, my family history and the actual incidents of my life, and any and all personal information pertaining thereto and any literary material in and to the foregoing, furnished by me or not, in and in connection with any other television program or motion picture or motion pictures publications, periodicals, serializations, magazines, novels, stories, coloring books and novelty books and in connection therewith and as part of the same, in whole or in part, and I agree that you may produce, distribute and publicize such television programs or motion picture or motion pictures, publications, periodicals, serializations, magazines, novels, stories, coloring books and novelty books, and that you may depict me and any members of my family, and fictionalize and/or dramatize any of the foregoing rights which I have herein granted to you, and I agree that other persons may impersonate me.

11. I recognize that in your television programs or motion picture or motion pictures, publications, periodicals, serializations, magazines, novels, stories, coloring books and novelty books you may include actual incidents involving me or my family or you may use wholly fictitious incidents in connection therewith, or may use incidents which are partially true and partially fictitious and I hereby agree that you may use the same, and I hereby give my approval to all such changes, additions, eliminations, dramatizations and fictionalizations of such literary material.

12. I further agree that you shall be at liberty to have the character portraying and/or depicting me in your television programs and/or motion picture or motion pictures played by an actor of your exclusive choice in your employ, with such sound and dialogue as you shall in your sole judgment determine.

13. I further agree that I will at no time claim or assert that any such television programs or motion picture or motion pictures, publications, periodicals, serializations, magazines, novels, stories, coloring books and novelty books based on, depicted from or suggested by any of the materials therein contained or any use by you of my name and/or the fictitious name for the character which may impersonate me and/or depict me or point to me constitutes a violation of any of my rights insofar as my right of privacy and/or is defamatory and libelous to me and I, so far as I am concerned, hereby release and relieve you and your assigns of and from any and all claims arising out of or in connection with any

such television programs or any motion picture or motion pictures, publications, periodicals, serializations, magazines, novels, stories, coloring books and novelty books produced by you or your assigns, as herein approved.

14. As far as I am concerned, you will of course own all rights of every kind and character without any limitation or restriction in the television program and/or motion picture or motion pictures, publications, periodicals, serializations, magazines, novels, stories, coloring books and novelty books you will produce and the literary material upon which such television programs, motion picture or motion pictures, publications, periodicals, serializations, magazines, novels, stories, coloring books and novelty books is based, specifically including the right and rights to publish and use otherwise for publicity stories, novelizations and serializations of any of the foregoing elements and all radio broadcasting and television rights therein and the literary material used therein.

15. I hereby agree that the rights herein granted to you are exclusive and applies to any rebroadcast, reissues, remakes and/or foreign versions of said television programs and/or motion picture or motion pictures, publications, periodicals, serializations, magazines, novels, stories, coloring books and novelty books and the air and screen and television trailers thereof, and is made not only for your benefit but the benefit of any person, firm or corporation to whom you may sell, assign or license said television programs and/or motion picture or motion pictures, publications, periodicals, serializations, magazines, novels, stories, coloring books and novelty books or any other rights thereunder.

16. I agree that in the event that I am successful in answering any questions that may be submitted to me, as a result of which there is then submitted to me for answering a question, the prize for the correct answer of which is in excess of \$4000, that in consideration of your submitting such question to me for answering, that I will not appear on any other radio or television program without your consent in writing for a period of two (2) years after my last appearance on THE \$64,000 CHALLENGE TELEVISION PROGRAM.

17. I hereby grant to you, and any person designated by you, the sponsor or sponsors of the program, its or their advertising agency or agencies, and the telecasting system over which the program is telecast, for a period commencing with my first appearance on the program and terminating two years after my last appearance on the program, the right to use and to license others to use my name, photograph, portrait, picture, caricature, soubriquet, likeness, signature, recorded performance and biography, for informative purposes or in advertising, exploiting and publicizing the products or services of the sponsor, the telecasting system and/or the program herein, and/or the products or services of any person designated by you, but not in endorsement of their products or services. I further agree that I will not, without your consent in writing, for the period commencing with my first appearance on the program, and terminating two years after my last appearance on the program authorize my name, photograph, picture, portrait, caricature, soubriquet, likeness, signature or biography to be given or used in connection with any products or services of any person, firm or corporation for any purpose whatsoever.

18. I further agree at your request to reappear within 15 months of my last appearance on THE \$64,000 CHALLENGE television program as a guest, to narrate and describe my experiences and those of my family, subsequent to appearing on THE \$64,000 CHALLENGE television program, and agree that all rights which are herein granted to you shall be applicable to my subsequent appearance on THE \$64,000 CHALLENGE television program. I agree that I shall not be entitled to any compensation for my subsequent appearance except that you agree to reimburse me for my travel expenses, if I reside outside of the City of New York, to and from my home to New York City for the purpose of appearing on said telecast.

19. You have advised the undersigned that your agreement with the Sponsors of the programs, requires you to obtain from each contestant and/or participant and/or challenger an agreement to be bound by the terms of Clauses (a) and (b) set forth below. However, the undersigned distinctly understands that nothing contained herein in this Clause 19 shall be deemed in limitation of any of the other rights which the undersigned has granted to you or any of the other restrictions contained in this release by which the undersigned has agreed to be bound.

In the event that the undersigned shall receive a prize or award of \$5,000 or more, the undersigned agrees:

(a) That he will not thereafter, for a period of one year from the date of his last appearance on THE \$64,000 CHALLENGE television program, ap-

pear on any other television or radio program which will contain or present a satirization of, or a burlesque of, or a parody of, or be an adaptation thereof, or lampoon THE \$64,000 CHALLENGE program series, or any program thereof;

(b) That he will not for a period of six months after his last appearance on THE \$64,000 CHALLENGE television program, appear on a television or radio program of any sponsor, any of whose products compete with those of the sponsors of THE \$64,000 CHALLENGE television program, their subsidiaries or affiliates or on a program the originating telecast of which compete timewise with the originating telecast of THE \$64,000 CHALLENGE television program.

20. In the event that the undersigned has previously signed or subsequently signs a release in connection with an appearance on THE \$64,000 QUESTION television program, nothing contained in such other release shall be deemed to limit this release and the rights given you in such other release shall be in addition to the rights herein granted to you.

(This clause is only applicable if the contestant is a minor.)

21. The undersigned understands that all or any part of the monies that may be won by him, in view of his infancy may, at your discretion, be placed in a trust fund, payable to him at age twenty-one (21) on such terms and conditions as may be fixed by you in such a trust indenture.

Signed: ARTHUR COHN, JR.

We, the parents of _____, guarantee that he/she will live up to the terms of the foregoing release.

Signed: _____

Address: _____

Signed: _____

Address: _____

Mr. COHN. Yes, sir.

Mr. LISHMAN. Will you please identify it by date and name of parties?

Mr. COHN. March 16, 1958.

Mr. LISHMAN. The title is release?

Mr. COHN. "\$64,000 Challenge." I never did read it.

Incidentally they just give it to you, and say, you know, sign it. They don't hit you over the head. You can read it.

Mr. LISHMAN. At this time you identify it?

Mr. COHN. The other one is Entertainment Productions, gentlemen, re "\$64,000 Challenge," March 16. I signed that one.

The last one is Entertainment Productions, Inc., March 16, 1958.

Mr. LISHMAN. When we have photostats made we will supply it for the transcript.

Mr. Cohen, did anyone connected with TV-CBS program ask you any questions concerning this incident you have testified to today?

Mr. COHN. Yes, someone. I would not be a bit surprised if the name was Fisher, called me about the time I went to the district attorney.

Mr. LISHMAN. About what time was that?

Mr. COHN. I don't know.

Mr. LISHMAN. You don't know?

Mr. COHN. I don't remember. It was in the spring or the summer. I think it was the summer. It was in the summer.

Again I say, I was averse to publicity and to prove it, for 18 months no one ever heard of me, outside of maybe my 25 friends and the district attorney, my friends kept the letter.

Mr. LISHMAN. When Mr. Fisher contacted you, what did he say?

Mr. COHN. He wanted me to come to a meeting to which Mr. Springer had been invited. I said I was averse to going to any

meeting, but I would ask my lawyer. Instead I called my lawyer, my brother-in-law, Franklin A. Goldwater, of Rochester, N.Y., and I asked him as a favor to me to please call Mr. Fisher direct.

Mr. LISHMAN. You never attended a meeting with Mr. Fisher?

Mr. COHN. I never did.

Mr. LISHMAN. In your talk with him did he ask you any questions concerning the incident.

Mr. COHN. I don't recall. If I remember correctly, and this is just a guess, he seemed to know all about the incident.

I do recall correctly now, because I remember that same morning Mr. Abrams called me, would I please go to CBS and tell them my story.

At the time I was unemployed, I mentioned that from the fact that in the advertising business when you are unemployed and start making trouble and go to CBS and all, I knew it would only cause me difficulties.

Mr. LISHMAN. And you are in the advertising business?

Mr. COHN. Yes.

Mr. LISHMAN. Did any representative of the Federal Communications Commission ever contact you?

Mr. COHN. No.

Mr. LISHMAN. Or the Federal Trade Commission?

Mr. COHN. No.

Mr. LISHMAN. Did any other person ever contact you or make inquiries concerning this matter?

Mr. COHN. No.

Mr. LISHMAN. The district attorney?

Mr. COHN. Oh yes.

Mr. LISHMAN. What did Mr. Fisher say to you when you told him what had happened?

Mr. COHN. As I say, I don't think I told him what happened. In other words, Mr. Abrams called me first and Mr. Abrams did know the whole story as I told you.

Mr. LISHMAN. Did Mr. Abrams tell you that he had already been in touch with CBS?

Mr. COHN. He must have because he almost insisted that I go to CBS to the meeting, mostly as he stated to protect myself, to tell my side.

Mr. Springer was there and was going to be there and I imagine Entertainment Productions, Inc., and I am guessing and it will be a very cozy story. Outside of not wanting the publicity my lawyer felt that "what was it to us" to the whole thing.

Mr. LISHMAN. I have no further questions, Mr. Chairman.

The CHAIRMAN. Mr. Mack.

Mr. MACK. Mr. Cohn, you said that you thought Mr. Fisher seemed to know all about this. You mean that he knew all about what transpired in this particular case involving you?

Mr. COHN. Yes. I am a little hazy on it, but it must have been so because Mr. Abrams, of course, was told the whole story and that particular morning he was begging me to please go to CBS. He must have told CBS the whole story.

In fact, up to a little while ago I didn't remember the man's name. But I think it was Fisher.

Mr. MACK. You were of the opinion that Mr. Fisher was pretty familiar with what had happened in this case?

Mr. COHN. I had the opinion that it was going to be a lovely, cozy meeting. I was told Mr. Springer was going to be there and why shouldn't I be there to tell my story. I assumed everybody was going to be there.

Mr. MACK. And then Mr. Fisher talked to your attorney; is that correct?

Mr. COHN. Yes.

Mr. MACK. I have no other questions, Mr. Chairman.

The CHAIRMAN. Mr. Bennett.

Mr. BENNETT. Did you make a complaint to the FCC?

Mr. COHN. No, sir.

Mr. BENNETT. Or the Federal Trade Commission about this?

Mr. COHN. No, sir.

Mr. BENNETT. Did you make a complaint to any Federal agency about it?

Mr. COHN. No, sir.

Mr. BENNETT. Did you complain to the district attorney in New York or did he contact you?

Mr. COHN. I contacted him after all this came out in the papers. That was many months ago.

Mr. BENNETT. Did you contact any newspapers?

Mr. COHN. Not until last Wednesday. Last Tuesday a.m., at 2 o'clock in the morning, I was awakened by some gentleman from the New York Post: "Did you read Drew Pearson?"

This is 2 o'clock in the morning. At first I was very frightened because I thought someone died or something. I said I not only didn't read Drew Pearson, but I am going to hang up on you.

Then he said, "Let me read you a few of the paragraphs," which he did, and they were partially correct, a couple of minor details were wrong. The man said, "If they are only partially correct, why not give me a break and tell the story"? He was amazingly accurate when I did tell the story.

How I could keep awake at 2 o'clock I will never know.

From then on the phone never stopped ringing. I went to work next Wednesday morning. Drew Pearson somehow or other got hold of the letter after a year and a half.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS. Mr. Cohn, did you make any money at all out of this?

Mr. COHN. I think that it cost me many hundreds of dollars because I did buy "Best Plays of 1932," you know.

Mr. ROGERS. I mean, the \$250 is all the money that ever changed hands?

Mr. COHN. Right, sir.

Mr. ROGERS. And that went to the Crippled Children?

Mr. COHN. Yes.

Mr. ROGERS. Where did this check come from that is made out to Arthur Cohn?

Mr. COHN. They show that on the program.

Mr. ROGERS. Did they give you that that night?

Mr. COHN. They gave it to me on the program. It is not typewritten. It is handwritten.

Mr. ROGERS. They gave it to you that night and let you keep it?

Mr. COHN. Yes. But everyone knows that is not a check.

Mr. ROGERS. You say the signature is printed and it is a dummy check?

Mr. COHN. They told me it was a dummy check.

Mr. ROGERS. Have you tried to cash it?

Mr. COHN. No, sir.

Mr. ROGERS. I do not know but what it might be cashable. It has the payee and the payor and the amount of money and the bank. I do not know what else goes on the check.

Has it been in your possession all the time?

Mr. COHN. All the time.

I will tell you the truth, I am a fine businessman; I saw Arthur Cohn written in pen and ink and I just pushed it aside. It was standard procedure, I had heard, as the reverend said, whatever they give you on the program is not it.

Mr. ROGERS. I think you are the first witness that has been before this subcommittee, Mr. Cohn, whose conscientious compulsions went to the extent that you did not take the money.

Mr. COHN. Thank you.

Mr. ROGERS. That is all, Mr. Chairman.

Mr. DEROUNIAN. I just want to state to the witness that it is very refreshing to have you here and to realize that you were nauseated by the performance and you did not wait 3 years and a \$50,000 contract to do something about it, and you are to be commended for it.

The CHAIRMAN. Are there any further questions?

Let the check referred to be received for the record and a copy of the release referred to be included in the record.

(Information referred to follows:)

THE \$64,000 CHALLENGE No. 455

MARCH 22, 1958 1-2
216

Pay to
the order of

NATIONAL SOCIETY FOR CRIPPLED CHILDREN \$ 250.00

Dollars

REVLON, INC.

THE
CHASE MANHATTAN
BANK
KENT CIGARETTES

Madison Avenue at 57th Street
New York, N. Y.
Received

Date: MARCH 16, 1958.

Re: "64,000 Challenge"
ENTERTAINMENT PRODUCTIONS, INC.
575 Madison Avenue
New York, New York

GENTLEMEN: I hereby grant to you, the sponsor or sponsors of the program, its or their advertising agency or agencies, and the telecasting system over which the program is telecast, for a period commencing with my first appearance on the program and terminating two years after my last appearance on the program, the right to use and to license others to use my name, photograph, portrait, picture, caricature, soubriquet, likeness, signature, recorded performance and biography, for informative purposes or in advertising exploiting and publicizing the products or services of the sponsor, the telecasting system and/or the program herein, but not in endorsement of the sponsor's product or services. I further agree that I will not, without your consent in writing, for the period commencing with my first appearance on the program, and terminating two years after my last appearance on the program authorize my name, photograph, picture, portrait, caricature, soubriquet, likeness, signature or biography to be given or used in connection with any products or services of any person, firm, or corporation for any purpose whatsoever.

ARTHUR COHN, Jr.
Challenger.

The CHAIRMAN. Mr. Cohn, thank you very much for your appearance here before the subcommittee and for your testimony. You may be excused.

Mr. COHN. Thank you, sir.

The CHAIRMAN. In addition to the witnesses, heretofore announced, scheduled to be here in the morning, we have Mr. Steve R. Carlin, executive producer of the "\$64,000 Question" and "Challenge." We will have Mr. Mert Koplin, producer of the "\$64,000 Challenge." Those will be the witnesses for tomorrow.

In addition to that, Mr. Max Hess of Hess Bros. Department Store, Allentown, Pa., will be heard and I have already announced that Mr. Hoffer, a former employee of his, will also be here. That will conclude, I think, the list of witnesses, that we know of, at this time for tomorrow.

The committee will adjourn until 10 o'clock in the morning.

(Thereupon, at 4:25 p.m., the committee recessed, to reconvene at 10 a.m., Tuesday, November 3, 1959.)

INVESTIGATION OF TELEVISION QUIZ SHOWS

TUESDAY, NOVEMBER 3, 1959

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON LEGISLATIVE OVERSIGHT
OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The special subcommittee met at 10 a.m., in the caucus room, Old House Office Building, Hon. Oren Harris (chairman) presiding.

Present: Representatives Harris (presiding), Mack of Illinois, Rogers of Texas, Flynt, Moss, Bennett of Michigan, Springer, Derouanian, and Devine.

Also present: Robert W. Lishman, subcommittee counsel; B. M. Coleman, principal attorney; Charles P. Howze, attorney; Richard N. Goodwin, special consultant; Herman C. Beasley, subcommittee clerk; and Jack Marshall Stark, minority counsel.

The CHAIRMAN. The subcommittee will be in order.

Mr. Xavier Cugat, will you be sworn, please?

Do you solemnly swear that the testimony you give to this committee to be the truth, the whole truth, and nothing but the truth, so help you God?

TESTIMONY OF XAVIER CUGAT, ACCCOMPANIED BY HERBERT PRESHKER, NEW YORK CITY, COUNSEL

Mr. CUGAT. I do.

The CHAIRMAN. Have a seat, please.

Will you please state your name?

Mr. CUGAT. Xavier Cugat.

The CHAIRMAN. Your address, please?

Mr. CUGAT. 111 East 56th, New York.

The CHAIRMAN. Mr. Cugat, I observe that you have counsel with you to advise you of your constitutional rights, which is provided by the Rules of the House, and let the record show it. Will you give your name, please?

Mr. PRESHKER. Yes, sir. Herbert Preshker, New York City.

The CHAIRMAN. I observe also, Mr. Cugat, that you have a statement you are prepared to give the subcommittee.

Mr. CUGAT. Yes. I wrote a statement I think will tell the whole story.

The CHAIRMAN. I think it would be appropriate if you care to make a statement to do so at this time.

Mr. CUGAT. My name is Xavier Cugat. I am an entertainer. For over 40 years I have been an orchestra leader and performer.

I think I enjoy a good name, and one reasonably well known. I am not an all-round genius, an educator, a preacher, or a policy-maker. And so I better stick to giving you the facts as I remember them. That is, I think, why you subpoenaed me to come all the way from Lake Tahoe, Nev., to testify here today.

I was a contestant on the "\$64,000 Challenge" in June of 1958. My publicity man thought it would be good publicity if I appeared on a quiz show at the same time. He was always thinking up publicity ideas for me, and I thought this was a good one.

At the time I thought the quiz shows were strictly on the up and up. I was interested in publicity, but I did not want to make a fool of myself. So I told my publicity man I would appear only if he could get one of two categories, either Latin American music, or art, which has been a hobby of mine since I was a child. I thought I could make a respectable showing in either of these two categories.

Some time later, my publicity man telephoned me to say everything was arranged, that I was to appear on the program. But he said my category was to be popular music, Tin Pan Alley, not Latin American music. I knew a lot about popular music, but not nearly so much as I'd like to know.

I complained to my publicity man about the switch. I told him I had agreed to go on the quiz show in the first place to get good publicity. If I missed an early question, the publicity might not be so good.

Over the phone, my publicity man told me not to worry about a thing. From the tone of his voice, I assumed that for at least one or two sessions they would either ask me easy questions, or questions they knew I would know the answers to, or that I would actually be coached. At least, I wouldn't look so bad.

Even so, I decided to do some studying up of my own on popular music. I listened to a lot of records. I looked over publishers' lists of songs. I brushed up on famous composers. I got my brother to look things up for me and to ask me a lot of questions.

As it turned out, the studying was not necessary. A day or so before the first program went on the air, a member of the producer's staff came to my apartment. When he arrived, we sat down and he asked me a series of questions. I knew the answers to some of those questions, but I didn't know the answers to others. When I didn't know the answers, he gave me the answers and the questions.

He didn't say in so many words that the questions he asked me were the questions that would be asked on the show, but when the questions were asked on the show they were the very same questions I had been asked in my apartment.

We went through the same procedure a day or so before each of the other shows on which questions were asked. After the first time we were asked questions on the show, I knew, of course, that the questions that were asked in my apartment would be the ones asked on the show.

I should make clear that my opponent and I appeared on the air five times. But on the first two nights there was no time for questions. We were simply introduced and told to come back the following week. We were actually asked questions on only 3 nights. My

recollection is that the producer's representative visited me before the first, fourth, and fifth times we went on the air.

When we reached the \$16,000 level, my opponent missed two of her answers. I provided the right answers to her questions, and I won \$16,000.

Against the \$16,000 I gave checks for 10 percent, or \$1,600, to my publicity man, who had arranged the appearance. I gave some to my brother, who had helped me study up on "Tin Pan Alley." I gave some of the money to a Spanish orphanage and some to an Italian orphanage, as I said on the air I would do. Most of the balance went for taxes. I made no payments and gave no gifts of any kind to anyone connected with the program, and nobody on the program ever asked for any.

I have already said I went on the show for publicity purposes. My opponent, as it turned out, was a singer whose book had just been published. I suppose the publicity was good for her, too. Although I was given the answers for three shows, nobody told me in advance that I was going to win any particular amount of money, or that I was going to win at all. I did not even know how long my opponent and I would be kept running.

As it happened, we appeared for the last time on June 29, by which time we had reached the \$16,000 question. But before the program went on the air my wife and I delayed the sailing reservations for our European trip until late in July, just in case I should still be around for the \$64 question.

In January of this year I was subpoenaed to appear before the special grand jury in New York. I told the grand jury the plain truth, as I had to do. I guess that is why you wanted me here now.

I know I broke no law. I know I intended no injury to any person.

I know that as an entertainer I am called upon all the time to make-believe, to help make a good show. I suppose the producers of the "\$64,000 Challenge" also wanted to make a better show, and so they made believe, too. If there was too much make believe, I wish you could do something about it without giving entertainment too much of a black eye.

During the weeks of this program, I was appearing at the Waldorf Astoria and playing 12 shows a week, and two or three benefits per week, and one or two appearances on radio or TV. Therefore, to me, this "\$64,000 Challenge" was strictly another program. In my life it was just a routine program. That is my whole story.

The CHAIRMAN. Does that conclude your statement?

Mr. CUGAT. Yes.

The CHAIRMAN. Mr. Lishman, do you have any questions?

Mr. LISHMAN. Mr. Cugat, on page 1 of your statement you say:

"At that time I thought the quiz shows were strictly on the up and up."

Could you explain what you mean by that?

Mr. CUGAT. Well, I watched some of those shows and they seemed to be, I thought they were, on the up and up.

Mr. LISHMAN. You mean you thought they were honest contests of knowledge or skill?

Mr. CUGAT. Yes.

Mr. LISHMAN. When did you first begin to learn on the "\$64,000 Challenge" that it was not an honest contest of skill?

Mr. CUGAT. Well, I began figuring when the producer came to my apartment.

Mr. LISHMAN. Would you please tell the circumstances under which the producer or associate producer came to your apartment? Your apartment then was at the Lombardy Hotel?

Mr. CUGAT. At the Lombardy, 111 East 56th.

He telephoned me 2 or 3 days before the program, I think, and said he wanted to see me in person. He came to my apartment. In the apartment we spoke a lot about music. He asked me a lot of questions. Then I found in the program that the questions that he asked me in my apartment were the same questions that went on the air.

Mr. LISHMAN. Do you remember the name of that gentleman?

Mr. CUGAT. Mr. Koplin.

Mr. LISHMAN. Mert Koplin?

Mr. CUGAT. Merton Koplin.

Mr. LISHMAN. What is the name of your public relations man?

Mr. CUGAT. Braverman.

Mr. LISHMAN. Did you have a conversation with Mr. Braverman in which you told him—"If you are going to go on this show you must be guaranteed some protection"?

Mr. CUGAT. I told him that being that they switched to popular music that I was not sure that I was up to it. I said I cannot go on, on popular music. He insisted not to worry.

Mr. LISHMAN. Was it Mr. Braverman who called Mr. Koplin and asked him to call on you?

Mr. CUGAT. I don't know whether he did or not.

Mr. LISHMAN. Did one of the questions asked of you on the show, involve Cole Porter?

Mr. CUGAT. Yes.

Mr. LISHMAN. In going over questions with you, did Mr. Koplin tell you in advance the answer to the question?

Mr. CUGAT. I don't remember exactly if that was one that he gave me. But we spoke in my apartment of every question and every answer that went on the air.

Mr. LISHMAN. Do you remember Mr. Koplin saying to you, "Of course you know that at one time Cole Porter was a member of the French Foreign Legion," and you said you did not know that?

Mr. CUGAT. Yes.

Mr. LISHMAN. And then on the program did they ask you whether you knew Mr. Cole Porter had once been a member of the Foreign Legion?

Mr. CUGAT. Yes.

Mr. LISHMAN. Similarly, were you asked questions concerning Kate Smith?

Mr. CUGAT. Yes.

Mr. LISHMAN. And her singing of "God Bless America"?

Mr. CUGAT. Yes.

Mr. LISHMAN. And you were given answers to questions you didn't know in advance of the show?

Mr. CUGAT. All the questions that he asked me that I did not know, he gave me.

Mr. LISHMAN. And then they appeared on the show?

Mr. CUGAT. They did.

Mr. LISHMAN. Did anyone else give you any assistance other than Mr. Koplin in advance of the show?

Mr. CUGAT. No one.

Mr. LISHMAN. Did you know the questions of your opponent, William Roth, in advance of the show?

Mr. CUGAT. They were also spoken of in my apartment.

Mr. LISHMAN. In other words, you knew the questions they were going to ask your opponent in advance, as well as the questions you were to be asked?

Mr. CUGAT. Yes.

Mr. LISHMAN. Did there come a time when you received \$16,000?

Mr. CUGAT. Yes.

Mr. LISHMAN. As your winnings on this "Challenge"?

Mr. CUGAT. Yes.

Mr. LISHMAN. And you appeared five times?

Mr. CUGAT. Five times.

Mr. LISHMAN. Commencing in June 1958?

Mr. CUGAT. Yes.

Mr. LISHMAN. Did Mr. Braverman call on you and then demand that you give him 10 percent of the \$16,000 as his regular fee?

Mr. CUGAT. Yes.

Mr. LISHMAN. And you did that?

Mr. CUGAT. Yes.

Mr. LISHMAN. As far as you were concerned, this was strictly a business proposition for getting publicity for yourself?

Mr. CUGAT. From the beginning I thought it was good publicity, and I did it strictly for publicity, because it was promised to me that they would mention whatever I would do, engagements, or recordings, or whatever it was.

Mr. LISHMAN. During your appearance on the show did you have an opportunity to get in some free plugs for your own production?

Mr. CUGAT. Yes. For the engagement. For my appearance at the Waldorf, yes.

Mr. LISHMAN. Were you helped with the continuity and the remarks you made, other than answering questions, by anyone?

Mr. CUGAT. I don't get your question.

Mr. LISHMAN. In connection with getting in your free plugs for your entertainment at the Waldorf, were you assisted or told how to do that, how to work that into the program?

Mr. CUGAT. Yes. There was a gentleman from the office—I don't remember his name—that every week used to come to me and ask me what I would like to be asked about before the program as a little interview, and we discussed that every week.

Mr. LISHMAN. Was that Mr. Koplin?

Mr. CUGAT. No, that was not Mr. Koplin.

Mr. LISHMAN. Do you remember who that was?

Mr. CUGAT. I don't remember his name.

Mr. LISHMAN. Was he connected with Entertainment Productions, Inc.?

Mr. CUGAT. I suppose he was. He wrote a little biography every week.

Mr. LISHMAN. Mr. Cugat, Entertainment Productions, Inc., were the producers of the "\$64,000 Challenge"?

Mr. CUGAT. I think so.

Mr. LISHMAN. And someone from that office, or that company, came to you and helped you in interviews with regard to getting in your free plugs?

Mr. CUGAT. Yes.

Mr. LISHMAN. I have no further questions, Mr. Chairman.

The CHAIRMAN. Did you have to pay anything at all, to anybody, to get on the show?

Mr. CUGAT. No, outside of the 10 percent that I paid to Mr. Braverman.

The CHAIRMAN. But that was your own employee?

Mr. CUGAT. Yes.

The CHAIRMAN. You did not pay anything to any producer or anyone associated with the producers, advertisers, or network, or anyone?

Mr. CUGAT. Nothing at all.

The CHAIRMAN. Mr. Mack?

Mr. MACK. Mr. Cugat, as far as you know, did your agent keep the 10 percent, or was it supposedly passed on to someone else?

Mr. CUGAT. He is not my agent. He is my publicity director. He only handles my publicity.

Mr. MACK. Who is your agent?

Mr. CUGAT. My agent is the Music Corp. of America.

Mr. MACK. The Music Corp. had nothing to do with this; is that correct?

Mr. CUGAT. No, they had nothing to do with it.

Mr. MACK. As far as you know the 10 percent was to be retained by your publicity director?

Mr. CUGAT. It was just 10 percent of what I received from the program. I don't know what he did with it. He never told me.

Mr. MACK. You did not ask him?

Mr. CUGAT. No; no.

Mr. MACK. You indicated that you wanted good publicity. Did you think this was good publicity?

Mr. CUGAT. At that time, I did.

Mr. MACK. You indicated the publicity helped your opponent, because she sold the book. Do you feel it has helped you under the circumstances? Would this react against you?

Mr. CUGAT. At that time I was appearing at the Waldorf and many people came to the stand and mentioned the fact that they were looking at me every week. They remarked here and there about the program.

Mr. MACK. Could I conclude from your statement that you thought that was good publicity?

Mr. CUGAT. Yes.

Mr. MACK. In spite of the fact that the show was a phony arrangement deceiving millions of people in the country? It still developed that it was good publicity and there was a favorable reaction, as far as you were concerned in advancing your cause?

Mr. CUGAT. At that time I didn't think that way. At that time to me, as I said, it was just a routine performance.

Now, I wish I had never gone there for \$16 million.

Mr. MACK. I understand that.

What I was trying to determine is whether or not, at this time, you feel the publicity benefited you in your profession and I understand you are an entertainer.

Mr. CUGAT. As I said, at that time I felt it did. From now on, I don't know.

Mr. MACK. You have indicated several times this was a routine performance. I do not quite understand that. You mean routine from the fact that you are an entertainer and you appeared on this program as an entertainer and that is the routine portion of it?

Mr. CUGAT. Yes. At that time I was thinking that I was just giving a show, a performance like I do when I appear in a hotel room or in a nightclub.

Mr. MACK. In reality, that is what you were doing; is that not correct?

Mr. CUGAT. Yes.

Mr. MACK. Nothing more than that. You were not participating in any type of contest. It was just a performance on your part; is that right?

Mr. CUGAT. I know it was a contest, yes.

Mr. MACK. I do not understand what the contest was about. I do not see there was any contest when you had the answers and your opponent did not have them.

Mr. CUGAT. Well, I don't know what you want to know. I don't understand the question.

Mr. MACK. My question is that at one point you said it was a routine performance. In the entertainment field you would go in as an entertainer?

Mr. CUGAT. Yes.

Mr. MACK. In the other place you indicated, I believe in your formal statement, that you thought this program was on the up and up. I merely want to clarify those things with regard to the routine performance and the show being on the up and up. I do not think it could be both ways.

Mr. CUGAT. Before I went on the air, and when I thought it was on the up and up. That is why I demanded to go on two things that I think I could give a good show, Latin American music and art.

Then I was told that they switched into popular music, and that made me very unhappy.

Mr. MACK. So after they switched to popular music then you knew that the show was not on the up and up?

Mr. CUGAT. Then I knew it was not on the up and up. Not when they told me the questions and the answers.

Mr. MACK. So you went into this thing knowing that the show was fixed and that you were participating in your own words, as a routine performance of entertainment and there was no contest at all?

Mr. CUGAT. I felt that it was entertainment. What they wanted from me was a show. That is what I tried to give them.

Mr. MACK. In other words, by the time you appeared on the program you had decided it was not on the up and up and it was merely a show for entertainment purposes, and it was just a routine perform-

ance such as you would perform at the Waldorf. Then you went over to perform again; is that correct?

Mr. CUGAT. Yes.

Mr. MACK. Who do you think informed your agent that the show was rigged?

Mr. CUGAT. Who informed my agent?

Mr. MACK. If I recall correctly, from your testimony you indicated that your publicity man—I do not mean your agent, I mean your publicity director, excuse me—your publicity man told you not to worry about a thing. "From the tone of voice I assumed that for at least one or two sessions they would either be asking me easy questions." Who do you think had given your agent "the word" at that time?

Mr. CUGAT. At that time I didn't know who was connected with the program. In fact, I did not know until Mr. Koplin called me and said that he wanted to see me in person. He introduced himself over the phone.

Mr. MACK. My point is this: your publicity director—it was almost public knowledge by that time, since somebody else had told your publicity director you would not have to worry, knew they would feed you the answers and questions and so forth, and they had merely come to your apartment to give you the answers or let you know the show was fixed.

They had already contacted your publicity director to tell him it was rigged.

Is that pretty much the situation?

Mr. CUGAT. Yes.

But I don't know who did contact him.

Mr. MACK. That is my question. You do not know?

Mr. CUGAT. No, I don't.

Mr. MACK. Mr. Chairman, I have no further questions at this time.

The CHAIRMAN. Mr. Bennett.

Mr. BENNETT. Up until your opponent was defeated in the contest, had she been given the answers to questions, too?

Mr. CUGAT. That I don't know.

Mr. BENNETT. Did you discuss your own situation with her? Did she know you were given answers?

Mr. CUGAT. No; I never saw her but a few seconds before the program went on every week.

Mr. BENNETT. You had no discussions with her?

Mr. CUGAT. Not at all.

Mr. BENNETT. Do you have any information as to whether she was given any answers up to the point she lost?

Mr. CUGAT. Not at all; except I was told of the answers that she was going to be given.

Mr. BENNETT. Were you told the questions she was to be asked?

Mr. CUGAT. Yes, by Mr. Koplin.

Mr. BENNETT. You do not know whether she had any instructions or not?

Mr. CUGAT. No.

Mr. BENNETT. You were not interested in that?

Mr. CUGAT. No.

Mr. BENNETT. Do you know anybody in the Revlon Co., any of the officials?

Mr. CUGAT. No.

Mr. BENNETT. Have you ever met any of them?

Mr. CUGAT. No.

Mr. BENNETT. Did you discuss your appearance with any of their representatives?

Mr. CUGAT. No.

Mr. BENNETT. You met none of them before; you have met none of them since?

Mr. CUGAT. No.

Mr. BENNETT. You did meet the producer of the program?

Mr. CUGAT. Mr. Koplin; yes.

Mr. BENNETT. He was the one that gave you the instructions or the answers to questions?

Mr. CUGAT. Yes.

Mr. BENNETT. Now, in the last two sentences of your statement you indicate that this was a make-believe show. As a matter of fact, it is much different than what we regard ordinarily as make-believe; is it not?

When you make believe something generally, the other fellow has some inkling that it is a make-believe. Is it not a fact that this was represented to the people watching it on television as being an honest exhibition of skill and brains and talent?

The audience had no way of coming to any different conclusion; did they?

Mr. CUGAT. Well, I thought all the time, first when I thought it was on the up and up, it was good entertainment. Then when I was told the answers and questions, I knew it as not the right thing, but still I thought, it is entertainment. It is a show.

Mr. BENNETT. It was entertainment as far as you were concerned. But as far as the people watching the program were concerned, they were deceived; were they not?

Mr. CUGAT. Now I know that they were.

Mr. BENNETT. So it is a much worse situation than what we ordinarily regard as make-believe. That is the point I am trying to make. This is not make-believe in the ordinary sense of the term. It was just plain out-and-out fraud and deception as far the public was concerned or the people who were watching the program were concerned.

Mr. CUGAT. I felt as an entertainer, sometimes I am called to play a part that I am not, in show business. So, I felt I was doing the same thing then.

Mr. BENNETT. But you knew when you answered these questions you had the answers to them?

Mr. CUGAT. Yes.

Mr. BENNETT. People watching the show did not know you had the answers to them; did they?

Mr. CUGAT. No; they didn't know.

Mr. BENNETT. They did not know?

Mr. CUGAT. No.

Mr. BENNETT. From their standpoint they were being deceived; were they not?

Mr. CUGAT. I do think so now; yes.

Mr. BENNETT. I think that is all, Mr. Chairman.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS. Mr. Cugat, you said that you did consider this show a contest even though you thought it was entertainment. You did consider it to be a contest between you and this other person; is that correct?

Mr. CUGAT. Yes.

Mr. ROGERS. Who was the other person?

Mr. CUGAT. Lillian Roth.

Mr. ROGERS. Lillian Roth.

Mr. CUGAT. Roth, a singer and a writer.

Mr. ROGERS. That was a woman?

Mr. CUGAT. Yes.

Mr. ROGERS. Did she know anything—some of the things that have been revealed in this, I want to find out everything that goes on—Did she know any of the questions or answers?

Mr. CUGAT. Well, I only heard what she said on the program.

Mr. ROGERS. You did not have any screening sessions where she was present or have any discussions with her about it?

Mr. CUGAT. Not at all.

Mr. ROGERS. As far as you know, she did not know anything about this program or how it was being handled?

Mr. CUGAT. I never knew if she was told the questions or answers. I never knew.

Mr. ROGERS. Did you assume that she did know about it? Is that the reason you thought it was a contest?

Mr. CUGAT. Well, after we started the program I had a suspicion that she was in the same position that I was.

Mr. ROGERS. So you all were sort of on an even level. Both of you knew the questions and both knew the answers?

Mr. CUGAT. That is what I was thinking for myself.

Mr. ROGERS. Why did you quit at \$16,000?

Mr. CUGAT. I didn't quit. They quit me.

Mr. ROGERS. Mr. Cugat, that is very direct and I think a very appropriate answer. It happened in other situations.

Would you relate to the subcommittee how they quit you?

Mr. CUGAT. That week that we went on, she lost the questions. She could not answer her questions.

Mr. ROGERS. I mean, how did they quit you on the \$16,000, when you got to \$16,000?

Mr. CUGAT. When they pronounced me a winner, that was the end. After the fifth week.

Mr. ROGERS. I see.

In other words, when one wins, you are both off?

Mr. CUGAT. Yes.

Mr. ROGERS. Did you have any information about when this was going to happen?

Mr. CUGAT. No.

Mr. ROGERS. You did not know when you were going to be taken off the program by virtue of someone else losing?

Mr. CUGAT. No.

Mr. ROGERS. You were the winner and the champion. Did someone else go on after you did?

Mr. CUGAT. Not on the same category, no.

Mr. ROGERS. Did they discuss with you any possibility of going back on the program?

Mr. CUGAT. No.

Mr. ROGERS. Were you glad about that or sad?

Mr. CUGAT. Well, immaterial to me.

Mr. ROGERS. As long as you had the questions and answers, it was not very tough, was it?

Mr. CUGAT. No, it wasn't.

Mr. ROGERS. Mr. Cugat, when did they start getting the questions out of the bank vault in your case?

Mr. CUGAT. No; that was not in our type of program. That was in the "\$64,000 Question," I think.

Mr. ROGERS. They did not get any questions out of the bank vault as far as you were concerned?

Mr. CUGAT. No.

Mr. ROGERS. There was not any representative of a bank there to get the questions out?

Mr. CUGAT. I don't recall it, no.

Mr. ROGERS. I do not remember.

I did not watch those programs too much because I had been suspicious of them for a long time. What I could not understand is, how they could have the checks written out immediately at the end of the program and how they knew who was going to get the \$250, and who was going to get the \$4,000.

Mr. CUGAT. No. In my case they did not give me a check. They just gave me a piece of paper that looked like a check. The check came up later.

Mr. ROGERS. Did they tell you what they were going to do?

Mr. CUGAT. After they gave me that piece of paper, they told me that the real check would be coming later, yes.

Mr. ROGERS. You had no prior information that you were going to get that check that night or that piece of paper?

Mr. CUGAT. No.

Mr. ROGERS. Do you know where the check came from?

Mr. CUGAT. No, I don't remember now.

Mr. ROGERS. How long was it after you won before they produced the check?

Mr. CUGAT. I don't remember that either.

Mr. ROGERS. Did you ever talk to anyone connected with the network about this?

Mr. CUGAT. No.

Mr. ROGERS. You say the first time you found out the program was crooked or fixed was when you were told by this fellow who came to your apartment. Who was that fellow?

Mr. CUGAT. Mr. Koplin.

Mr. ROGERS. How do you spell that?

Mr. CUGAT. I think it is K-o-p-l-i-n.

Mr. ROGERS. Who was he employed by?

Mr. CUGAT. Merton Koplin. I think it was by the agency.

Mr. ROGERS. By the agency?

You mean by the agency that had control of this show, Entertainers, Inc., or something like that?

Mr. CUGAT. Whatever it is.

Mr. ROGERS. When did you first receive any information from your agency that you did not have to worry?

Mr. CUGAT. Before I went on the air.

Mr. ROGERS. Before you went on the air?

Mr. CUGAT. Yes.

Mr. ROGERS. As a matter of fact, Mr. Cugat, you would not have gone on the air unless you had that assurance, would you?

Mr. CUGAT. The assurance—the way he spoke to me, I thought they were going to ask me easy questions.

Mr. ROGERS. Yes, sir.

Mr. CUGAT. That I would be able to answer easily.

Mr. ROGERS. But your agency assured you that there would not be anything for you to worry about?

Mr. CUGAT. He did.

Mr. ROGERS. Beforehand.

Did you later discuss with him how he knew there would not be anything for you to worry about?

Mr. CUGAT. No, I never did.

Mr. ROGERS. Do you know whether or not he discussed it with the other people?

Mr. CUGAT. No.

Mr. ROGERS. What was his name?

Mr. CUGAT. Mal Braverman.

Mr. ROGERS. Braverman?

Mr. CUGAT. Yes.

Mr. ROGERS. Is he still your agent?

Mr. CUGAT. Yes, my publicity agent.

Mr. ROGERS. Where is he located?

Mr. CUGAT. New York.

Mr. ROGERS. You could conclude from what actually took place in this whole episode, could you not, Mr. Cugat, that it was generally known in the industry as to what was going on?

Mr. CUGAT. Well, I didn't have much time to speak to professionals. I was busy.

Mr. ROGERS. Yes; I understand.

The fact that your agent told you that you did not have to worry and the next piece fitted into this crossword puzzle, Mr. Koplin came and told you what the questions and answers were to be and continued to do so?

Mr. CUGAT. Then I knew, yes.

Mr. ROGERS. As you said, your purpose in going on this show was for publicity, was it not?

Mr. CUGAT. Yes.

Mr. ROGERS. You certainly have gotten that out of it, have you not?

Mr. CUGAT. Yes.

Mr. ROGERS. You do not know whether it is going to turn out good or bad?

Mr. CUGAT. I didn't know at that time it was going to turn bad.

Mr. ROGERS. Did you feel at the time that there was something wrong about what was going on in the handling of this show?

Mr. CUGAT. No.

Mr. ROGERS. Do you now feel that there was something wrong?

Mr. CUGAT. Yes; I do.

Mr. ROGERS. In other words, someone was being cheated, were they not, Mr. Cugat?

Mr. CUGAT. I know that now.

Mr. ROGERS. Had you realized and understood that at the time, would you have gone on the show?

Mr. CUGAT. In a million years, no.

Mr. ROGERS. You said that you used this money for certain purposes you outlined and you said most of it went for taxes. Do you remember how much went for taxes?

Mr. CUGAT. I am in the 76 percent bracket now.

Mr. ROGERS. In other words, the taxes that you pay were paid on a general income, on your general income, on that bracket. Taxes were not paid as a separate item, separated from your other income?

Mr. CUGAT. Yes, in my general.

Mr. ROGERS. Have you ever talked to anyone about this since that time, Mr. Cugat?

Mr. CUGAT. Not at all.

Mr. ROGERS. Has anyone from the Federal Communications Commission ever made an appointment with you or tried to talk to you about this?

Mr. CUGAT. No.

Mr. ROGERS. Has anyone from the Federal Trade Commission ever made an appointment with you or tried to make an appointment with you to discuss this matter?

Mr. CUGAT. No.

Mr. ROGERS. Have they talked to you about any other matters of any kind?

Mr. CUGAT. Who?

Mr. ROGERS. The Federal Communications Commission or the Federal Trade Commission?

Mr. CUGAT. No.

Mr. ROGERS. About no matters whatsoever?

Mr. CUGAT. No.

Mr. ROGERS. Were you asked to come before the New York grand jury?

Mr. CUGAT. Yes.

Mr. ROGERS. Did you go before that grand jury, Mr. Cugat?

Mr. CUGAT. Yes.

Mr. ROGERS. Did you testify, at that time, to the same facts given in your testimony here?

Mr. CUGAT. Exactly the same.

Mr. ROGERS. You were not one of the perjurers, were you, Mr. Cugat?

Mr. CUGAT. No.

Mr. ROGERS. I want to compliment you for that.

I believe that is all, Mr. Chairman.

The CHAIRMAN. Mr. Springer.

Mr. SPRINGER. Mr. Cugat, you, yourself, did not make any complaint to the Federal Communications Commission or to the Federal Trade Commission with reference to this program, did you?

Mr. CUGAT. No.

Mr. SPRINGER. That is all, Mr. Chairman.

Mr. CHAIRMAN. Mr. Flynt.

Mr. FLYNT. No questions.

The CHAIRMAN. Mr. Derounian.

Mr. DEROUMANIAN. No questions.

The CHAIRMAN. Mr. Moss?

Mr. Moss. Mr. Cugat, did you ever issue a public statement, following the first rumbles that these programs were fixed, denying that you had any knowledge of them being fixed?

Mr. CUGAT. Not that I remember.

Mr. Moss. No press release of any kind?

Mr. CUGAT. No.

Mr. Moss. Denying your participation. I seem to recall that there was one and I wanted to check. Do you know whether your publicity agent issued any such statement on your behalf?

Mr. CUGAT. No, I read that statement and I asked him about it and he denied it.

Mr. Moss. He denied having issued it?

Mr. CUGAT. Yes.

Mr. Moss. But it did appear in the press?

Mr. CUGAT. Yes.

Mr. Moss. Did you in your first appearance, when asked by the district attorney of New York, inform him of the circumstances of the show prior to the Grand Jury appearance?

Mr. CUGAT. Pardon? I don't get the question.

Mr. Moss. I think the district attorney of New York contacted you prior to your appearance before the grand jury?

Mr. CUGAT. Yes.

Mr. Moss. In that appearance did you correctly inform the district attorney of all of the facts in connection with your appearance on the show?

Mr. CUGAT. No.

Mr. Moss. You did not correctly inform him?

Mr. CUGAT. No.

Mr. Moss. Were you advised by anyone not to inform him correctly?

Mr. CUGAT. Not at all.

Mr. Moss. Not at all?

Mr. CUGAT. No.

Mr. Moss. Not by your publicity agent?

Mr. CUGAT. No.

Mr. Moss. Were you contacted by any representatives of either the network or the producing group urging that you withhold information from the district attorney?

Mr. CUGAT. Not at all.

Mr. Moss. It was entirely your own doing?

Mr. CUGAT. Entirely my own.

Mr. Moss. Those are all the questions I have at this time, Mr. Chairman.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. No questions.

The CHAIRMAN. Do you have anything further, Mr. Lishman?

Mr. LISHMAN. No, sir.

The CHAIRMAN. Mr. Cugat, on behalf of the subcommittee let me thank you very much for your appearance here. I want to compli-

ment you for your statement in giving the facts as to how these programs were rigged. You, with others, have been very helpful to the subcommittee in its responsibility in determining just what has been going on in connection with these matters and whether or not legislation is desired in this field.

I know it has been hard on you to leave your work and come here, but nevertheless you have rendered a very worthwhile service and we thank you for it.

You may be excused. I am sure you will be departing for the West.

Mr. CUGAT. Thank you.

Mr. PRESHKER. Thank you very much, Mr. Chairman.

The CHAIRMAN. Mr. John Ross.

Are you Mr. Ross?

Mr. Ross. Yes.

The CHAIRMAN. You will be sworn?

Do you solemnly swear the testimony you give to this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Ross. Yes, sir.

The CHAIRMAN. Have a seat.

Your name is John Ross?

Mr. Ross. Yes, sir.

TESTIMONY OF JOHN ROSS

The CHAIRMAN. What is your address?

Mr. Ross. 340 West 72d Street, New York City.

The CHAIRMAN. You were, or are, the manager of Patty Duke?

Mr. Ross. I am.

The CHAIRMAN. One of the contestants on the "\$64 Challenge"?

Mr. Ross. Yes, sir.

The CHAIRMAN. I observe that you have your counsel with you to advise you.

Mr. Ross. Yes.

The CHAIRMAN. Which the rules of the House provide for.

Mr. Ross. Yes.

The CHAIRMAN. I think we should have the name of your counsel, for the record.

Mr. Ross. Martin Leonard.

Mr. LEONARD. Martin H. Leonard, 11 West Forty-Second Street, New York City.

The CHAIRMAN. Are you familiar with the rules, Mr. Leonard, that you are to accompany Mr. Ross and you are to advise him?

Mr. LEONARD. Yes, I am.

The CHAIRMAN. And not undertake to testify for him?

Mr. LEONARD. Yes.

The CHAIRMAN. Did you have a request you wanted to make?

Mr. LEONARD. I would like to request an executive session under House rule 11 on the grounds that Mr. Ross' testimony may tend to incriminate or degrade or defame some other person.

The CHAIRMAN. Mr. Ross, you have heard the request of your attorney. Is it your feeling that your testimony may tend to defame, degrade, or incriminate some person?

Mr. Ross. I feel it might, sir.

The CHAIRMAN. It is your desire that the subcommittee hear you in executive session?

Mr. Ross. If I may have it, sir.

The CHAIRMAN. Of course, that is a matter which the subcommittee will have to determine.

Mr. Ross. Yes, sir.

The CHAIRMAN. Consideration of the request by the witness has been made. There will be a kinescope showing which will take only a few minutes, following which I am going to ask that the room be cleared and the subcommittee will go into an executive session.

I might state that following the consideration by the subcommittee in executive session, we will recess until 1:30 this afternoon, at which time it will be the program of the subcommittee to call producers of these various shows next.

That will start at 1:30. That will be a public hearing with Mr. Mert Koplin, one of the producers of the "\$64,000 Challenge," as the first witness.

The Chair would like to request that the room be vacated as expeditiously as possible just as soon as the kinescope showing is completed.

(Showing of kinescope reproduction.)

(Whereupon, at 11:20 a.m., the subcommittee proceeded to executive session.)

EXECUTIVE—CONFIDENTIAL

(Released to the Public November 3, 1959)

The special subcommittee met in executive session at 11:20 a.m., in the caucus room, Old House Office Building, Hon. Oren Harris (chairman) presiding, a quorum being present.

The CHAIRMAN. Let the record show that the subcommittee is in executive session with Mr. Ross as the witness.

Do you have a statement that you would like to make yourself, Mr. Ross?

**TESTIMONY OF JOHN ROSS, ACCOMPANIED BY MARTIN H.
LEONARD, ATTORNEY**

Mr. Ross. No, sir.

The CHAIRMAN. Mr. Goodwin, a member of the staff.

Mr. GOODWIN. Mr. Ross, you are the manager for Patty Duke?

Mr. Ross. Yes, sir.

Mr. GOODWIN. What do those duties include?

Mr. Ross. Various business that comes up, that is related to her career. I started her in business a few years ago and have represented her since.

Mr. GOODWIN. Miss Duke is now playing a leading part in a Broadway play?

Mr. Ross. Yes. It is the principal role; yes, sir. "The Miracle Worker."

Mr. GOODWIN. The "Miracle Worker;" is that the name of the show?

Mr. Ross. Yes, sir; "The Miracle Worker."

Mr. GOODWIN. Can you tell me how Miss Duke was selected as a contestant on the "\$64,000 Challenge?"

Mr. Ross. Yes, sir.

I received a phone call one day from a Mr. Irving Harris, whom I knew, and who had originally introduced me to the Dukes. He said that they were looking for children for one of their shows and that he had suggested Patty Duke.

Mr. GOODWIN. What was Mr. Harris' connection with the quiz show?

Mr. Ross. Mr. Harris, to the best of my knowledge, went in search of contestants for the show and pursued mail that they received to interview people.

Mr. GOODWIN. Did you accept at that time on behalf of Miss Duke?

Mr. Ross. At that time it was just that he had set an appointment for her. He said they wanted to interview her at EPI.

Mr. GOODWIN. Did you accompany her to that interview?

Mr. Ross. I did; yes, sir.

Mr. GOODWIN. Can you tell us what the interview consisted of?

Mr. Ross. When we went to the offices of EPI, I waited outside and they took Patty into the other room someplace.

Mr. GOODWIN. You were not present?

Mr. Ross. No, sir; I was not.

Mr. GOODWIN. Subsequent to this time, were you notified that she had been selected as a contestant on the "\$64,000 Challenge?"

Mr. Ross. Yes, sir; it was shortly after. It was a matter of a day or so after.

Mr. GOODWIN. Prior to her appearance on the "\$64,000 Challenge," the week before on Thursday or Friday, did you accompany Miss Duke to interviews or screening sessions with the producers of the "\$64,000 Challenge?"

Mr. Ross. Yes, sir.

Mr. GOODWIN. Can you tell us who was the producer who interviewed her?

Mr. Ross. I am sorry, I don't know. I heard the name mentioned, Koplin, but I don't know if he actually was.

Mr. GOODWIN. Was it Miss Shirley Bernstein?

Mr. Ross. There were times that she did see Miss Bernstein. This I know for a fact. It mostly was with Miss Bernstein.

Mr. GOODWIN. It was mostly Miss Bernstein who was the associate producer of the "\$64,000 Challenge?"

Mr. Ross. If that was her title; I don't know, sir.

Mr. GOODWIN. The show was on a Tuesday night?

Mr. Ross. No, sir; I beg your pardon. It was a Sunday.

Mr. GOODWIN. Sunday evening?

Mr. Ross. Yes, sir.

Mr. GOODWIN. The screening sessions were when, Thursday or Friday, preceding the Sunday?

Mr. Ross. They were Friday.

Mr. GOODWIN. Was there such a screening session, to your knowledge, prior to every appearance of Miss Duke on the program?

Mr. Ross. I would say, yes.

Mr. GOODWIN. Did you accompany Miss Duke into these screening sessions?

Mr. Ross. No, sir. I am sorry, sir; there was one exception. I was not on a screening session, but at the end of a session I was called in.

Mr. GOODWIN. You were left waiting for her outside the room where she was with the producer, Miss Bernstein, to your knowledge?

Mr. ROSS. I say generally, yes, only because the first couple of shows she told me she met a few people.

Mr. GOODWIN. When she emerged from these sessions did she carry with her, notes which she had made?

Mr. ROSS. Yes, sir.

Mr. GOODWIN. Did she tell you what occurred in these sessions, what she had been asked, what they had discussed?

Mr. ROSS. They were sometimes long, long sessions, but I got just part of it, actually. In other words, she was told a certain area to work from or work within. On one there was a specific line of questioning, if I may explain it that way.

For instance, I might best explain from the notes she had. One of the things she had on the paper was that she should study groups of three or four.

Mr. GOODWIN. Singing groups?

Mr. ROSS. Singing groups.

Mr. GOODWIN. With the words "three" or "four" in the title?

Mr. ROSS. Composed of three or four persons. She was also to familiarize herself, to the best of my knowledge, with the labels of those recordings. She should cover that area.

Mr. GOODWIN. On the basis of the information that she gave you, did you then go out and study the material which she had been taught?

Mr. ROSS. If I might present it this way, what happened was this: When they first announced, or when I first heard that Patty was going to be on the show, they said—and I think on the first show—they also mentioned that due to the age of the contestants that they were only going to cover the period of popular music going back 1 year. They had explained this to Patty right after she was interviewed, I believe perhaps the second meeting. At that time is when I immediately went to a publication, Variety, a show business publication, and arranged to get back numbers for about a year.

I think it was probably 13 months or so, whereby I got a copy, I think, for every 3 weeks or something that would have a list of all the popular tunes for that time.

Mr. GOODWIN. So you embarked on an intensive study program prior to her appearance?

Mr. ROSS. We did actually. By the second time they had interviewed her, they were amazed what she knew about it.

Mr. GOODWIN. After these screening sessions she came out with more specific items of information in which they were interested?

Mr. ROSS. Yes.

Mr. GOODWIN. Did you then spend a weekend with Miss Duke studying these specific items?

Mr. ROSS. Yes. I spent as much reasonable time as I could with her.

Mr. GOODWIN. Was a substantial amount of this information which Miss Duke had discussed in the screening sessions and which you then went to study, did that same information appear in the form of questions and answers in the program?

Mr. ROSS. Some of it did, sir.

Mr. GOODWIN. You did study with Miss Duke over the weekend?

Mr. ROSS. Yes. It was whenever we had the time.

From Friday on we usually concentrated on particular areas. For instance, if I may volunteer, one week they said they were going to have Broadway musicals. They said you should study Broadway musicals. They said: "Study as much as you can about Broadway musicals." Then what I did would be to get albums that covered the musical comedies of the period or time. Then we would spend time on them.

However, those questions did not come up on that week's show. In other words, she had been given something that didn't come up. But they did come up later on and she was reminded again later on.

Mr. GOODWIN. She was reminded that they might come up again?

Mr. ROSS. No, it was more definite than that, sir.

Mr. GOODWIN. Would you say that most of the questions that were asked of her on the show had been taken from among the specific materials she was advised to study?

Mr. ROSS. I would say yes, if I may add this. There were questions, there were many questions that were asked—within I say, I cannot honestly say what percentage—there were questions that were asked her that I had no idea she could do.

Some, of course, because of the simple questions that they asked—there were questions that were asked of Patty of numbers that were hit recordings that you heard continually for weeks and months on end, like "Short Shorts" and things like that, that only had five notes in them, these rock and roll tunes.

However, there were some that I was amazed and I was surprised she knew.

Mr. GOODWIN. Because she had not studied them?

Mr. ROSS. No, because they had not been in the line or area of questions she had.

Mr. GOODWIN. Were you aware when she emerged from these sessions that the information she was carrying with her or the type of information she was requested to study were likely to appear on the program?

Mr. ROSS. After a while I was. It was a number of weeks.

Oh, no; I am sorry. Let me correct that.

Could you give me the rest of that, please?

Mr. GOODWIN. Were you aware that the information that Miss Duke took out of the screening sessions, the areas she was advised to study, were later to appear on the program?

Mr. ROSS. I was aware that a percentage would be.

Mr. GOODWIN. And most of the questions on the show, or a good percentage of the questions on the show, would be drawn from these areas?

Mr. ROSS. I would say more than not.

Mr. GOODWIN. Mr. Ross, have you subsequently determined, perhaps to your surprise, that immediately prior to the program Miss Duke was often given the exact questions and answers?

Mr. ROSS. Much to my surprise.

Mr. GOODWIN. And therefore, many of the questions that you were surprised at her ability to answer so easily is explainable on the basis that the producer gave her the questions and answers just before her performance?

Mr. ROSS. I can't tell you how surprised I actually was.

Mr. GOODWIN. But that is true?

Mr. ROSS. That is true.

Mr. GOODWIN. So even the studying over the weekend was a totally unnecessary bit of work?

Mr. ROSS. It had reached the point, if I might add this—would this be out of order, if I just volunteered something?

The CHAIRMAN. Yes.

Mr. ROSS. It was, I believe, the second show when Patty clouded up at a question, and I know this well. She was on the verge of tears. I believe it was on the second show that she sort of teared up. She was on the verge of tears at one particular question. I asked her later about it and I asked her if she wanted to continue or not because I felt as though she might hurt herself and in the event—it seemed as though—anyway, her answer to me at that point was, I am afraid of letting people down.

I said in that case, if there is pressure, I would rather not go any further than to see you perhaps cry and hurt yourself that way. So she said the pressure is so great in there with the music and the tension that sometimes you think you know something and you hear it and you don't know if it is the same thing. So it was at that time that I felt, as much as there might be control, and whatever control I was starting out to believe there could have been, I felt as though it was not completely in hand because at any point she might have just not remembered.

Mr. GOODWIN. But you subsequently found out she was being given the questions and answers 10 and 15 minutes before air time?

Mr. ROSS. Yes, sir.

This was in the past 3 days, if I may add.

Mr. LEONARD—we had been somewhat ill-advised, I should say definitely ill-advised, before I talked to Mr. Leonard—he suggested that I not discuss this with Patty. This was, I believe, approximately a year ago, and as much time as we have ever spent and Patty visits and spends days with us and vacations and so on, I have never actually sat down and discussed any of this with her, with the one exception when you said it would be OK if I did.

Mr. GOODWIN. After I suggested you talk with Miss Duke?

Mr. ROSS. Yes. Then it was only a matter of a few minutes when we had our second meeting with you.

Mr. GOODWIN. Did anyone from the EPI organization ever advise you not to tell this story?

The CHAIRMAN. Who is EPI?

Mr. GOODWIN. Entertainment Productions, Inc. They were the producers of the show.

Mr. ROSS. Yes, sir; they were the producers of the show.

When the district attorney had asked for Patty to come down, I called the office and I told Mr. Harris we had just received a phone call from the district attorney's office and he would like to speak with Patty. I said I would like to go with her. I am sorry, I don't remember exactly, it might have been that they suggested that I go. Either way, the result was that I went.

I said that I don't know the first thing about what may transpire there. What does the office know about it? What is happening because of Patty being a child and what rights does she have?

He called me back later and said that he was told to tell me just to go, everybody is going, and they are being asked—the question they are asking, were you given the answers. He said Patty was not given the answers or something to that effect, so you go and just tell them.

Mr. GOODWIN. You subsequently discovered that was not true?

Mr. ROSS. That same day after the district attorney's office, I went to them and told them that I didn't feel right about this. They said something, in effect—when I say "they," I wish I knew the man's name, it was not Mr. Harris, he called someone in. I am sorry I don't know who it was.

Mr. GOODWIN. Did Mr. Harris advise you not to cooperate with the district attorney?

Mr. ROSS. No, sir; he really didn't. He was more or less carrying a message from someone.

Mr. GOODWIN. He told you that Patty did not receive the answers and you should so state?

Mr. ROSS. That was in effect what he said.

Mr. GOODWIN. But Patty had in effect received the answers, had she not?

Mr. ROSS. Yes. I since have found out so specifically, but I knew there were certain answers or areas that she had.

In one particular case where I knew the answer myself, it was given to me.

Mr. GOODWIN. The answer had been given to you directly?

Mr. ROSS. Yes, sir. It was on the last show and it was after this screening session. This was the only time I was ever in. I was not in on the screening itself. Miss Bernstein sent for me. I was down-stairs. These screening sessions were held on a different floor.

She sent for me and when I came up she had Patty wait outside and asked me in. It was just very informal. She said, I would like to thank you. Patty has always been prompt and this sort of thing. It seemed incidental. She said, by the way, there is one particular number in something that we have discussed with Patty, or that I mentioned to Patty, and it is Memphis Blues. And she said that Patty should familiarize herself with that number.

Mr. GOODWIN. Was that song a part of her \$64,000 question?

Mr. ROSS. Yes, sir; I found out.

Mr. LISHMAN. You just saw on the kinescope?

Mr. ROSS. Yes, sir.

Mr. GOODWIN. When Mr. Harris advised you to go to the district attorney and say that Patty received no answers, he was in fact advising you to say something that was not in fact true?

Mr. ROSS. Yes, sir; in a sense.

I am sorry, yes, sir; that is right. That is true.

Mr. GOODWIN. Was Mr. Harris paid any money in connection with Patty's appearance on the show?

Mr. ROSS. It was not—there was money given to Mr. Harris at a later date, months later. This was something I just felt personally that I wanted to do for him. This was strictly my own thinking and my own idea. Because Mr. Harris, as I say, had been trying to help the Duke family when they were in very dire circumstances and did help them, and tried to get someone interested in the children to see

if they could develop a career for them. I did feel this was all right.

Mr. GOODWIN. How much money did you pay Mr. Harris?

Mr. ROSS. I gave him \$1,000.

Mr. GOODWIN. Did you feel in any way this was a regard for everything gotten Patty on the "\$64,000 Challenge"?

Mr. ROSS. No, sir. I just felt generally that this is what I would like to have done for him.

Mr. GOODWIN. Did he make a request of you for money at any time?

Mr. ROSS. No, sir; never did.

Mr. GOODWIN. As Patty Duke's manager, did you get a percentage of the amount of money she won on the program?

Mr. ROSS. Yes, sir; I did.

Mr. GOODWIN. Standard 10 percent?

Mr. ROSS. Personal manager, the percentage varies. I got 15 percent.

The CHAIRMAN. It is very difficult to hear. It seems to me that you could raise your voice up.

Mr. ROSS. Yes, sir; I am sorry.

The CHAIRMAN. In the first place, who is that particular Mr. Harris?

Mr. ROSS. He is a friend of mine and he is also with the organization, with EPI.

The CHAIRMAN. What organization?

Mr. ROSS. Entertainment Productions, Inc.

The CHAIRMAN. He is with Entertainment Productions, Inc.?

Mr. ROSS. He was at that time; yes, sir.

The CHAIRMAN. Did you give his first name or initials?

Mr. ROSS. I don't know if I did, sir, but it is Irving Harris.

The CHAIRMAN. You say you paid him \$1,000?

Mr. ROSS. Yes, sir.

The CHAIRMAN. Did you pay him in a check or cash?

Mr. ROSS. I gave him cash.

The CHAIRMAN. Was that a prior arrangement?

Mr. ROSS. No, sir; this was months later, sir.

The CHAIRMAN. How did you happen to pay him a thousand dollars?

Mr. ROSS. I just wanted to do something for him and I felt as though that is what I wanted to do.

The CHAIRMAN. Did he suggest you do it?

Mr. ROSS. No, sir; he never mentioned it.

The CHAIRMAN. You merely suggested it to him?

Mr. ROSS. I didn't suggest it. I just told him I wanted to meet him and I met him and I just feel as though I should give you this.

The CHAIRMAN. And he took it?

Mr. ROSS. Yes, sir.

The CHAIRMAN. What was the 15 percent you referred to? I did not catch that.

Mr. ROSS. I am Patty Duke's manager. I started her in show business. My business is such that if I believe I can develop someone into an actor, I pay all expenses until such time as the person earns money. That would include private schooling and clothing, if necessary, or whatever pictures, publicity, everything that goes with it.

That is all my expense until they start earning money. Then when they earn money, I am entitled to my percentage.

The CHAIRMAN. You take your 15 percent?

Mr. Ross. It varies. In my particular case it was 15 percent.

The CHAIRMAN. Fifteen percent of the \$32,000?

Mr. Ross. Yes, sir.

Mr. BENNETT. Were you reimbursed for your expenses in addition to your 15 percent?

Mr. Ross. No, sir. Any expenses or anything were mine.

The CHAIRMAN. This is interesting to me. Did you have any idea or get any inclination that she was to win \$32,000?

Mr. Ross. No, sir; positively not.

The CHAIRMAN. Did they ever tell you she would win any certain amount?

Mr. Ross. No, sir; not at all.

The CHAIRMAN. Did they ever assure you that she would win anything at all?

Mr. Ross. No, sir; positively not.

Mr. GOODWIN. Subsequent to this call from Mr. Harris, were you advised as to what you should say to the district attorney? Were you then contacted by any representative of Entertainment Productions, Inc., about what you should say to the grand jury or to the district attorney?

Mr. Ross. When I went to their office I talked to this one person again. I am sorry I don't remember who he was. They sort of made light of it. There would not be anything to it. He said this concerns a child, they will never have this child down there; forget it. Something to that effect, words to that effect.

Mr. GOODWIN. Did they ever tell you that she had not received any help and there was nothing to worry about?

Mr. Ross. That was not discussed, in any way, at that point.

Mr. GOODWIN. Did they advise you not to cooperate?

Mr. Ross. They then suggested that I go to see an attorney, their attorney. I went to see him.

The CHAIRMAN. What is his name?

Mr. Ross. I am not sure; I believe it was a Mr. Durante, who was their attorney. I went to see him. That was all the same day. I went to see him, and our conversation was very brief.

Frankly, and this is most truthful, I don't remember exactly what it was. I do know that I wanted at that moment to stop having anything to do with this line of opinion or advice.

Mr. GOODWIN. You felt you were being advised not to tell the whole truth to the district attorney?

Mr. Ross. Yes, sir.

I immediately called Mr. Leonard and I think I saw him.

Mr. GOODWIN. That is Mr. Martin Leonard, your attorney?

Mr. Ross. Yes, sir. I think I saw him within a half hour after I left this lawyer's office. It was not that he suggested that I do anything wrong, to the best of my knowledge; it was just that I felt I was being caught up in something that was absolutely wrong, and I wanted no further part of it.

Mr. GOODWIN. But Mr. Harris had advised you not to tell something which you knew to be truth?

Mr. Ross. Sometimes you just don't know who they are. It was someone who spoke with me in the office, and he said they feel as though—whatever it may be. To that effect. At this point I wanted nothing further, and I got together with Mr. Leonard and he advised me since.

Mr. GOODWIN. Did you, in fact, tell the whole story to the New York grand jury?

Mr. Ross. Yes, sir; I did.

Mr. GOODWIN. To your knowledge, Miss Duke told the whole story to the New York grand jury?

Mr. Ross. Yes, sir; only because we insisted and we never had any discussions of it.

Mr. GOODWIN. Did anybody from Entertainment Productions, Inc., or anyone connected with them, ever suggest that it would be a good idea to have stories in the newspapers that the district attorney was browbeating small children and mistreating them?

Mr. Ross. That man, that day after I came from the district attorney's office, did say something to that effect. He said that—yes; I remember vividly now.

He said we will call the bar association and put a stop to it, so there is nothing further for you to think about.

Mr. GOODWIN. Did you feel he was trying to discredit the activities of the district attorney's office?

Mr. Ross. Frankly, I didn't think in that direction, because I wanted to get away from that line of thinking, as I say. However, I do know, and I had mentioned this to the district attorney—I had discussed with one of the district attorneys, not in the grand jury, but somewhere along the line, that there was an item in the paper where Ed Sullivan, I think it was, who said that someone should look into the district attorney's office, browbeating or mistreating children. But only Eddie Hodges was mentioned.

Mr. GOODWIN. Eddie Hodges was the contestant who appeared opposite Miss Duke in the kinescope we just watched?

Mr. Ross. Yes, sir.

Mr. GOODWIN. So you were advised that they felt that there should be some publicity given to the fact that the district attorney was mistreating children?

Mr. Ross. Well, yes.

No, he didn't mention publicity to that effect, sir. He just said that this should be stopped and he will see that it will be stopped or he is going to notify the bar association. That was the only conversation that we had.

However, I was led to believe, or I could have been led to believe, that it would go away, as I believe Mr. Van Doren said. But I didn't. Their thinking was that maybe I will just sort of go along or something. I don't know. It is hard to describe a thing like this.

I do know the fact, and the fact is, that I had nothing further to do with them from those moments on. I had nothing further ever to do with them.

Mr. GOODWIN. How old was Miss Duke when she appeared on this program?

Mr. Ross. She was 11.

Mr. GOODWIN. Do you feel that the activities of the producers in supplying her with the questions and answers was activity of a questionable moral character? That it was wrong?

Mr. ROSS. The way I know it now, I say yes, sir.

Mr. GOODWIN. Did Miss Duke ever tell you up to the time we met 3 or 4 days ago that she had been given the questions and answers directly?

Mr. ROSS. This is rather difficult, but there were one or two occasions where she had received such a strong hint, she practically told me or something to that effect, and frankly, I would assume that she was told.

Mr. GOODWIN. But you did not know of the sessions that took place immediately prior to the performance?

Mr. ROSS. No, sir. I knew that they met. I knew there was some sort of meeting there, but I never followed through with that.

Mr. GOODWIN. Would you speculate that telling Miss Duke the questions and answers so close to the actual performance was designed to assure that she would not forget them?

Mr. ROSS. When I heard how it was done, which was just recently, I would certainly understand it. Just recently when I heard how it was done, I was shocked.

Mr. GOODWIN. To your knowledge, as of now, was Miss Duke instructed not to talk about this with anybody, including her family and her manager?

Mr. ROSS. I learned the other day that she had been asked or had been told that this was a secret and she should not discuss it with anyone. "Anybody," I believe was her word.

Mr. GOODWIN. Who was she told that by?

Mr. ROSS. Miss Shirley Bernstein.

Mr. GOODWIN. The associate producer of the "Challenge"?

No further questions.

The CHAIRMAN. Mr. Mack.

Mr. MACK. How did you become her manager? You are her manager?

Mr. ROSS. Yes, sir.

Mr. MACK. Does she have any other managers?

Mr. ROSS. No, sir.

Mr. MACK. Any publicity agent or anything?

Mr. ROSS. No, sir.

Mr. Irving Harris had been trying to help the family by getting someone interested in Patty's older brother, Raymond. The dramatic coaches or agents or whatever it was he brought the boy to said they didn't want to have anything to do with him because they had no money. They could not pay for pictures or they could not pay for lessons or help themselves in any way. They had no money was the reason for no one being interested.

That is how I met Mr. Harris, Mr. Irving Harris. At that time we thought we might be able to do something with the older brother. We did and we started him on a career. I started teaching him and working with him and so on and he became an actor. Later on, we were looking for someone younger.

Mr. MACK. Let me see.

Did you spring him into show business; is that correct?

Mr. Ross. Yes, sir.

Mr. MACK. You had the money to do it; is that correct?

Mr. Ross. Yes, sir; that is my business, sir.

Later on, when we were looking for a younger person, he suggested his sister, or at the same time Mr. Harris might have. That is how we got Patty started into the business.

Mr. MACK. Mr. Harris was a friend of the family?

Mr. Ross. Yes, sir.

Mr. MACK. He was a friend of the family before they were interested in show business?

Mr. Ross. Yes, sir.

He does a great deal of work with the Madison Boys Club in New York, and I know that he seeks out people who are in need of help or people on welfare and relief. He also does hospital shows where he brings and entertains at hospitals.

Mr. MACK. How much money did it cost to get her brother into show business, approximately?

Mr. Ross. I don't know exactly, sir, because it goes over a period of months. It is hard to put an actual thing on it. You spend endless hours of working on diction and acting and training and so on.

Mr. MACK. But in addition to the training, you also had to make certain arrangements for him to get into the business; is that not correct?

They do not only have to have talent; they have to be able to crash through with publicity?

Mr. Ross. Yes, sir.

Mr. MACK. And even maybe phony programs or something?

Mr. Ross. Not so much publicity at that point, sir. They have to get appearances so they can get started.

Mr. MACK. Do you usually buy those appearances indirectly?

Mr. Ross. No, sir. I have no contact with the people—I don't have contact with casting directors or producers or directors. My work is all through agents. In other words, the agent does all the contacting.

Mr. MACK. You mentioned that—and it aroused my curiosity—because I was wondering whether that is the same problem you had with this little Patty, to break her into the business.

Mr. Ross. No, sir.

What it is—the agents are the ones who actually start them. There are agents who have faith in the type of person that I have, that they believe can become and will become good actors, let us say.

Mr. MACK. Who is the agent in this case?

Mr. Ross. Well, I have worked through perhaps 32 different agents.

Mr. MACK. Many?

Mr. Ross. Yes, sir.

It would be whoever might have some particular call for a movie, for extras, or small parts. What we try to do is start them with a one-line or two-line part and progress from there.

Mr. MACK. Did you have any publicity?

Mr. Ross. Not at the beginning, sir. The publicity would come later, because there is no value.

Mr. MACK. Did you work through any public relations agents, for instance?

Mr. Ross. No, sir.

Mr. MACK. You handled that in the capacity of manager?

Mr. Ross. Yes, sir. Because I had done public relations years ago.

Mr. MACK. How did you happen to get her into this play? I understand she was in the play before she went on the program.

Mr. Ross. She had been on prior television shows.

Would you be speaking of the particular play she is now doing?

Mr. MACK. I would like to have the information. I understand that she was already prominent in show business before she was on this "Challenge"; am I correct?

Mr. Ross. Yes, sir.

Mr. MACK. That is what I had reference to.

Mr. Ross. For instance, my work would be to take photographs—to take pictures of her to various agents and see if I could get them—the first thing is trying to get an appointment with them where they would have the time. Then I would cover a number of agents like that and try to sell them the client as to the possibilities she has and what I think her capabilities at this point might be.

Finally, after some months—I would say after about 6 months or so—Patty wanted to quit because she felt as though she was not enjoying it. We did stop. Later on she asked if she could try.

Mr. MACK. What did she quit? This was not shows?

Mr. Ross. No. We were making rounds.

Mr. MACK. Was it television appearances?

Mr. Ross. We were trying to get her started. It is difficult. I thought at one point she might not have the interest that she should be having and I felt maybe she didn't want to. I asked her and she said "I guess I don't." I said I would much rather you stop than go on.

She stopped and though we were very friendly and she visited with us, we never mentioned a career again to her. I don't know. Some months later she called and said, "I have been thinking it over and I would like to try again." And then finally, it was a short time thereafter, that one of the agents called me and said they would use her as an extra in a movie.

Then it was a step from an extra to another extra, and then perhaps later on a one-line part, a pantomime or something; and then it was a gradual progression.

Mr. MACK. At what stage was she when you got her on the "\$64,000 Question"?

Mr. Ross. I would say at that point she was known because, after the first show, I protested to the EPI because they introduced Eddie Hodges as being in "Music Man" on Broadway, but they didn't say that Patty Duke was in show business. So I said, "This is unfair, because there will be people who will know Patty and it should be told—I want it told—that she is in show business."

They did the following week; they announced it. I didn't know how they announced—whether they admitted an oversight or something. They said she was appearing on television from time to time.

Mr. MACK. Then I could conclude that at this point she had been in show business, but was not prominent in the field?

Mr. Ross. She was known, but not a "name," as we say—that she would be an identifiable personality.

Mr. MACK. Is it not true that the “\$64,000 Question” gave her that name that you had been wanting to get for her?

Mr. Ross. While she was on the “\$64,000 Question,” there was a show that they wanted her for, which was a very prominent show, a network show, and I turned it down because I felt it might be too much for her.

Mr. GOODWIN. May I make one correction?

She appeared on the “\$64,000 Challenge,” not the “\$64,000 Question.”

Mr. Ross. I am sorry. I beg your pardon.

I turned down appearances for her because I felt it would be too much to handle.

Mr. MACK. You mean to handle both of them at the same time?

Mr. Ross. Yes.

For instance, the one show she would have done, she would have been rehearsing on Sunday. Then she would have had to do the “Challenge” on Sunday.

Mr. MACK. She has a rather prominent part now in a show on Broadway?

Mr. Ross. Yes, sir.

Mr. MACK. Is it not true that as a result of this phony business on the “\$64,000 Question” she gained substantial stature and was catapulted into the show business?

Mr. Ross. No, sir. I am sorry to disagree, sir, but she had received mentions in Time magazine and syndicated columns before this as being a potential great actress.

For instance, in “Miracle Worker,” the part is such an unusual—there has never been a part written like it—she plays Helen Keller as a deaf mute, dumb child, and we worked on this part, when we first read it in the New York Times, that they were going to search schools throughout the east coast to find the child to play the part because of its unusualness.

I just felt as though I should start working with her. We worked on that part for a year before the play ever went into production or they had even decided when they were going to do it. I coached her and worked with her. We did research on Helen Keller. It was not so much the fact that she had been known or had successful television appearances; it was that they had to find someone who was so qualified, and I might say fortunately no one else had taken the time to spend with someone to bring them to that point.

Mr. MACK. Mr. Chairman, I am sorry to take so much time, but I have one last question.

That question is: Why did you want her on the “\$64,000 Challenge”?

Mr. Ross. At that time I felt it would be a further step in her career if she were lucky enough to be on for a few weeks, 2 or 3 weeks.

Mr. MACK. If I understand your testimony correctly, you are indirectly agreeing with me, that the reason you wanted her on the show was to give her national prominence so that she could further her career?

Mr. Ross. I am sorry, then, for taking the time.

Mr. MACK. Is that correct?

Mr. Ross. I will agree with you; that was part of it. I am sorry.

Mr. BENNETT. Do you say, Mr. Ross, that her appearance on the “\$64,000 Question” was harmful to her or beneficial to her?

Mr. Ross. Beneficial, sir. At that time, beneficial.

Mr. BENNETT. It is not beneficial now?

Mr. Ross. At this present time, I don't know, sir.

Mr. BENNETT. Your story to me is very hazy and it is probably due to the fact that I have not correctly understood you.

What is your business and profession?

Mr. Ross. My business is personal business management.

Mr. BENNETT. Personal business management?

Mr. Ross. Yes, sir.

Mr. BENNETT. Will you describe that briefly?

Mr. Ross. Yes, sir.

It would be my business is built on people I think I can make actors of and then making whatever investment is required in coaching them, teaching them, and whatever is necessary to build a career from nothing into something.

Mr. BENNETT. You train people to be actors and actresses?

Mr. Ross. Only the people whom I personally have under contract.

Mr. BENNETT. Pardon?

Mr. Ross. Only the people whom I have under contract. I am not a teacher.

Mr. BENNETT. You teach the people you have under contract?

Mr. Ross. Just my own clients.

Mr. BENNETT. You don't have public classes?

Mr. Ross. No, sir; nothing like that. Just my own people.

Mr. BENNETT. How did you get in touch with the Duke family? Through Mr. Harris?

Mr. Ross. Yes, sir.

Mr. BENNETT. You and Mr. Harris have been friends for a long time?

Mr. Ross. No.

I met him when he introduced me to the Dukes about 3½ years ago, I believe.

Mr. BENNETT. That is when you first met him?

Mr. Ross. Yes, sir.

Mr. BENNETT. What is his profession?

Mr. Ross. He was active in boys club work and tried to help people he felt wouldn't have a chance otherwise.

Mr. BENNETT. But when you met him he was an agent or representative?

Mr. Ross. No, sir. He was just working with the Madison Boys Club and this is something he was doing in his spare time to help some people.

Mr. BENNETT. You met him before he got connected with the production of this "\$64,000 Question"?

Mr. Ross. Yes, sir.

Mr. BENNETT. He was your friend before that?

Mr. Ross. Yes, sir.

Mr. BENNETT. It was he who got you in touch with Patty Duke?

Mr. Ross. Yes, sir.

Mr. BENNETT. At that time he got you in touch with Patty Duke, he was representing these producers of this show?

Mr. Ross. No, sir; he was not in that business at that time.

Mr. BENNETT. He was not in the business when he first got you in touch with Patty Duke?

Mr. ROSS. No, sir.

Mr. BENNETT. I see.

Later he was connected with the show?

Mr. ROSS. Yes, sir.

Mr. BENNETT. After that, did he contact you about getting her on the show or did you contact him?

Mr. ROSS. No. He called, as I mentioned, and said that they were looking for a young girl contestant on the show. He asked me did Patty have any knowledge of popular music. It was a very simple category, he said.

I said I know that she loves the portable radio and I know she listens to rock and roll, and if you think she might stand a chance, I will have her in. Then the office called me.

Mr. BENNETT. Did Mr. Harris' people, so-called, get her on TV?

Mr. ROSS. Yes, sir.

Mr. BENNETT. As far as you and he were concerned, he represented the "\$64,000 Challenge"?

Mr. ROSS. Yes, sir.

Mr. BENNETT. In this arrangement?

Mr. ROSS. Yes, sir.

Mr. BENNETT. Was it he that made the arrangements for her screening?

Mr. ROSS. He made the appointment for her.

Mr. BENNETT. Was he there?

Mr. ROSS. Not that I know of, sir. He was at the office but I don't think he was at the screening because there are a number. Patty would know that.

Mr. BENNETT. Did he supervise these screenings?

Mr. ROSS. No, sir.

Mr. BENNETT. Did he know about them?

Mr. ROSS. Know about the screenings, sir?

Mr. BENNETT. Yes.

Mr. ROSS. Yes, I am sure he would be aware of it. I feel as though he would.

Mr. BENNETT. In answer to counsel's questions, you said just prior to each of these appearances on the "\$64,000 Challenge" that Patty was given questions and answers to the questions that were later asked her on the program?

Mr. ROSS. Yes, sir.

Mr. BENNETT. When did you first find out about it?

Mr. ROSS. I knew that she had this area to work from at the time because, as I say, on one show I knew the answer.

Mr. BENNETT. I do not mean the area she had to work from. When did you first find out from her that she had been given questions and answers in these screening sessions that were asked of her on the program?

Mr. ROSS. Somewhere along the line of the show.

Mr. BENNETT. Sometime before the show was completed?

Mr. ROSS. Specifically, I didn't find out until last Saturday, if you are saying specifically.

Mr. BENNETT. What do you mean by specifically?

Mr. Ross. Saturday she had mentioned pointedly how answers were given to her.

Mr. BENNETT. But you knew while the show was being programed that she was being given questions and answers?

In other words, that she was being coached and given questions and answers that were asked her on the program?

Mr. Ross. Yes.

The thing is that she was given, as I had mentioned, such as groups with three and four and so on, and then when she was asked the question on the show, name a group or name three groups with the word "three" in their title. This type of question.

Mr. BENNETT. The thing I want to clarify is when you got knowledge that she was being coached on the specific questions that were asked her on the program. That was during the time the program was going on?

Mr. Ross. It was last Saturday that I actually first heard specifically.

Mr. BENNETT. I want to get it clear because it is far from being clear to me.

The witness' answers are vague and inconsistent. It seems to me this is not a very complicated matter. You either knew that she was being coached or you did not.

When did you first know that she was being coached?

Mr. Ross. I first specifically knew last Saturday.

Mr. BENNETT. Wait until I ask the questions.

When did you first know that she was being given questions that were asked her on the program?

Mr. Ross. Saturday of last week.

Mr. BENNETT. You had no knowledge of her being coached or given answers before last Saturday?

Mr. Ross. I had mentioned the one incident of the number, "Memphis Blues."

Mr. BENNETT. When did you find that out?

Mr. Ross. That is when Miss Bernstein told me, the day before the last show.

Mr. BENNETT. So you did know before the "\$64,000 Question" was asked, you knew that she had been given the answer to one of the questions?

Mr. Ross. Yes, sir.

Mr. BENNETT. Did you do anything about that?

Mr. Ross. No, sir.

Mr. BENNETT. Did you tell her mother and father about it?

Does she have a mother and father?

Mr. Ross. She has a mother.

Mr. BENNETT. Did you discuss that with her mother?

Mr. Ross. No, sir.

Mr. BENNETT. Did you discuss it with anybody?

Mr. Ross. No, sir.

Mr. BENNETT. Do you feel it was wrong?

Mr. Ross. Yes, sir.

Mr. BENNETT. You knew that she had gotten \$32,000 that she would not have gotten had she not been given the answer to that question that night?

Mr. ROSS. Yes, sir.

Mr. BENNETT. Did you report that to the district attorney?

Mr. ROSS. Yes, sir.

Mr. BENNETT. Did Patty tell her mother about this while the show was going on, that this coaching was going on?

Mr. ROSS. I don't know, sir. I don't believe so.

Mr. BENNETT. Did you tell her during these coaching sessions to take a pencil and paper and take notes on things that were asked her so she would not forget them.

Mr. ROSS. Yes, sir.

As a reminder because she made notes, I think the second, perhaps the third show, she made some notes and I suggested that she have some paper.

Mr. BENNETT. Did you tell Patty that it was wrong for her to have gotten this answer before the program?

Mr. ROSS. No, sir.

Mr. BENNETT. Did she ask you whether it was wrong? Did she discuss it with you?

Mr. ROSS. No, sir; she didn't.

Mr. BENNETT. Then nothing further was done about this as far as you are concerned until when? When the grand jury got into it?

Mr. ROSS. Yes, sir.

Mr. BENNETT. Did you tell the grand jury this same story?

Mr. ROSS. Yes, sir.

Mr. BENNETT. Did you have a deal with Harris not to say anything about this?

Mr. ROSS. No, sir; I didn't.

Mr. BENNETT. Did Harris know that Patty had been given the answers to the "\$64,000 Question?"

Mr. ROSS. I don't know, sir.

Mr. BENNETT. Did you ever discuss it with him?

Mr. ROSS. No, sir.

Mr. BENNETT. Why did you give him a thousand dollars?

Mr. ROSS. I felt as though I wanted to make him a gift of it.

Mr. BENNETT. Was that common practice?

Mr. ROSS. No, sir; it is not.

Mr. BENNETT. What had he done for a thousand dollars? Do you give him credit for getting Patty on the show?

Mr. ROSS. I would not have known about her if it was not for him. That may have been my thinking.

Mr. BENNETT. Why did you wait 3 or 4 months before you had given him the thousand dollars?

Mr. ROSS. It was not quite that long. It was 2½ months or so. I was going on my first big vacation in many, many years, and I thought that I might rather just not do it so big and present him with part of it.

Mr. BENNETT. Certainly it is wrong for people to be taking a child of this age or any age and coaching them on this program. I thoroughly agree with the impropriety and the wrongdoing involved in it.

But, on the other hand, it seems to me that you yourself were pretty derelict in your responsibility as the manager for this child, having knowledge of what was going on and doing nothing about it for months and months and months afterward, and only doing something about it when you were first forced to by being called before the grand jury.

Mr. ROSS. Yes, sir.

Mr. BENNETT. I think that is all I have, Mr. Chairman.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS. Mr. Ross, you speak of show business. In that business is there a group of people known as people getters?

Mr. ROSS. The first time I heard the expression was now, sir.

Mr. ROGERS. Was now?

Mr. ROSS. This is the first time I heard the expression "people getters," but I just assumed it would be people who looked for contestants.

Mr. ROGERS. Would you fall in that category?

Mr. ROSS. Oh, no, sir.

Mr. BENNETT. Mr. Ross, they do have groups or companies or organizations or associations that go around and question people who are going to put on shows and things and say what characters do they need and they go out and hunt them up?

Mr. ROSS. I believe they do.

Mr. BENNETT. Knowing your business, would you not have contact with those kinds of people?

Mr. ROSS. No, sir; positively not.

Mr. BENNETT. Is Mr. Irving a people getter?

Mr. ROSS. I would say so. He goes to California and various States to interview people.

Mr. BENNETT. Was he acting as a people getter when he made the connection and helped you out with this little girl?

Mr. ROSS. Yes, sir.

Mr. BENNETT. Would that not be the reason you would give him the thousand dollars?

Mr. ROSS. Normally I would say "No," sir.

Mr. BENNETT. Does he work free? Is he a philanthropist?

Mr. ROSS. Normally that would not be the procedure.

Mr. BENNETT. What would be the procedure normally?

Mr. ROSS. The normal procedure would be not to have to pay anyone for getting on the show.

Mr. ROGERS. I mean the people getter. You pay him.

Mr. ROSS. I wouldn't pay him.

Mr. ROGERS. Who would pay him?

Mr. ROSS. I don't know. As far as I know he is on a salary.

Mr. ROGERS. In other words, the show people pay him to give them leads on where they can get some people to play?

Mr. ROSS. I am afraid I don't understand the question, sir.

Mr. ROGERS. The people who are going to put on the production, we will say EPI, or whatever that is, when the people getter comes to EPI and says you need someone to play something?

Mr. ROSS. Then I am sorry. I misunderstand this definition of a people getter. Mr. Irving Harris in that sense, would not be a people getter. He is employed by EPI.

As you say, sir, there are organizations—

Mr. ROGERS. The people getter is a completely independent operator?

Mr. ROSS. Oh, no, sir. I am sorry. If I may add, Mr. Harris would not fall in that category whatsoever.

Mr. ROGERS. Mr. Harris was not a people getter, then?

Mr. ROSS. No, sir. I thought you meant in a sense for EPI. He is employed by EPI to go and interview contestants.

Mr. ROGERS. There are such things as people getters, but Mr. Harris is not one of them?

Mr. ROSS. I believe there are.

Mr. ROGERS. You just gave him a thousand dollars because you thought it would be a good thing for you to do?

Mr. ROSS. I felt independent.

Mr. ROGERS. How long was it after you got your money that you gave it to him?

Mr. ROSS. I would say approximately 2 months.

Mr. ROGERS. What is this little girl's real name?

Mr. ROSS. Duke. Anne Marie.

Mr. ROGERS. Is Patty Duke her stage name?

Mr. ROSS. No, sir.

Mr. ROGERS. Is your name Ross all the time?

Mr. ROSS. I had the name legally changed, sir.

Mr. ROGERS. When?

Mr. ROSS. Approximately a year or so ago.

Mr. ROGERS. In New York?

Mr. ROSS. I beg your pardon, sir.

Mr. ROGERS. In New York?

Mr. ROSS. Yes, sir.

Mr. ROGERS. Do you care to tell the subcommittee what it was prior to that time?

Mr. ROSS. Yes, sir. It was John Rossi. I felt—

Mr. ROGERS. You had the "i" dropped off?

Mr. ROSS. Yes, sir.

Mr. ROGERS. Mr. Ross, insofar as the program is concerned, did they take these questions out of a bank vault, or represented that they did?

Mr. ROSS. They represented that.

Mr. ROGERS. What bank was it that they were supposed to get it from?

Mr. ROSS. I am sorry, sir; I do not know.

Mr. ROGERS. One of the New York banks?

Mr. ROSS. Yes, sir; I believe so.

Mr. ROGERS. Of course, you knew that they were not getting them out of there, did you not, Mr. Ross?

Mr. ROSS. I didn't actually; no, sir.

Mr. ROGERS. I know, but you had some suspicions that were strong enough that led you to believe that your protege was fixing to win a lot of money on that show?

Mr. ROSS. I didn't know whether those questions that were presented on the show were actually in a bank vault, or not.

Mr. ROGERS. In other words, they could have taken them through the bank vault after they gave them to her, or they could have given to her after they got them out of the bank vault?

Mr. ROSS. Yes, sir.

Mr. ROGERS. You do not know the name of the bank?

Mr. ROSS. I am sorry, sir; I don't.

Mr. ROGERS. You say you got 15 percent of the \$32,000?

Mr. ROSS. Yes, sir.

Mr. ROGERS. How much did this little girl get?

Mr. Ross. I don't know, but there is a bank in New York that is handling the trust fund.

Mr. ROGERS. Handling the trust fund?

Mr. Ross. Yes, sir.

Mr. ROGERS. Did she get all but the 15 percent?

Mr. Ross. Yes, sir.

Mr. ROGERS. No expenses of any kind taken out?

Mr. Ross. No, sir.

Mr. ROGERS. Do you know what the taxes were on it?

Mr. Ross. I am sorry; I don't know.

Mr. ROGERS. Were they big?

Mr. Ross. Yes, sir.

Mr. ROGERS. You paid your part of the taxes, too?

Mr. Ross. Yes, sir.

Mr. ROGERS. Yes, sir. Mr. Ross, have you ever discussed this with the FCC or the FTC?

Mr. Ross. No, sir.

Mr. ROGERS. Do you know what those initials stand for, Mr. Ross?

Mr. Ross. Yes, sir; Federal Communications Commission and Federal Trade Commission.

Mr. ROGERS. Have any of their people, agents or anyone, connected with them, asked you any questions about this type of show, or what was going on?

Mr. Ross. No, sir.

Mr. ROGERS. Have you had any contact whatever with any representatives of those agencies?

Mr. Ross. No, sir.

Mr. ROGERS. For any purpose?

Mr. Ross. No, sir.

Mr. ROGERS. Would you have given them this story had they asked you?

Mr. Ross. Honestly I do not know, sir.

Mr. ROGERS. Did you go before the grand jury in New York?

Mr. Ross. Yes, sir.

Mr. ROGERS. Did you tell the truth there?

Mr. Ross. Yes, sir; I am very proud. I have heard that I think I was one of their best witnesses, if I may at this point say something in my favor.

Mr. ROGERS. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Derounian?

Mr. DEROUNIAN. Mr. Ross, what does the family of the Dukes consist of?

Mr. Ross. There is a mother, a daughter, and a son, and another daughter, Patty.

Mr. DEROUNIAN. Is the father dead, or divorced?

Mr. Ross. The father deserted the family some years ago and that is why I was approached at that time by Mr. Harris to see if I could help in some way.

Mr. DEROUNIAN. What was the income of the family when these various people were trying to help them by getting their children on stage or television?

Mr. Ross. Could I ask you to repeat that, sir?

Mr. DEROUNIAN. What was the income of the family? How did they live? Did they have any income, what the children made?

Mr. Ross. The mother was holding down a part-time job. She was not too well.

Mr. DEROUNIAN. Who was the agent for Patty in this "Miracle"?

Mr. Ross. The William Morris agency in New York.

Mr. DEROUNIAN. What is her salary there?

Mr. Ross. \$450 per week.

Mr. DEROUNIAN. The agent gets 10 percent?

Mr. Ross. Yes, sir.

Mr. DEROUNIAN. You get 15 percent?

Mr. Ross. No, sir. I receive 30 percent.

Mr. DEROUNIAN. You get 30 and the agent gets 10, that leaves her 60?

Mr. Ross. Yes, sir.

Mr. DEROUNIAN. You have been pretty close to Patty all these years?

Mr. Ross. Yes, sir.

Mr. DEROUNIAN. You are like a father to her?

Mr. Ross. I try to avoid that, sir.

Mr. DEROUNIAN. By that does she confide in you and discuss things with you?

Mr. Ross. Yes, sir.

Mr. DEROUNIAN. Do you mean to say after these briefing sessions prior to the show she would not come and tell you what had transpired in those sessions?

Mr. Ross. Not specifically, sir.

Mr. DEROUNIAN. Generally.

Mr. Ross. We didn't really discuss it. We didn't actually discuss it.

Mr. DEROUNIAN. You were not interested, or you did not know?

Mr. Ross. Well, I did not know. I don't know how to explain it, sir.

Mr. DEROUNIAN. You have been quite thorough in your preparation as a manager. You start them practically from the cradle until they get into a top spot. You mean you would not be thorough enough to ask what had transpired in this closed room for a young child?

Mr. Ross. Perhaps I was afraid if I pursued it I might find out the truth.

Mr. DEROUNIAN. You had a sneaking suspicion what was going on in there, did you not?

Mr. Ross. I suspected something.

Mr. DEROUNIAN. Had you ever had any contact with this Irving Harris prior to his calling to put your protege on the "\$64,000 Challenge"?

Mr. Ross. We had known each other; yes, sir.

Mr. DEROUNIAN. You knew that he worked for Entertainment Productions?

Mr. Ross. Yes, sir.

Mr. DEROUNIAN. Do you think it is healthy for Mr. Harris to be parading around the city getting young children into situations like this where they are taught to cheat and lie for money?

Mr. Ross. No, sir.

Mr. DEROUNIAN. Is this not rather a tawdry thing for the youth of this country to be brought up with a scummy foundation, as this protege has now? What respect can she have for the truth?

Mr. Ross. I have been trying, in every way, to make up to her if it would ever be at all possible. I hope I am succeeding.

Mr. DEROUNIAN. Would you have done this to your daughter if she had received the same opportunity?

Mr. Ross. It may not say much for me. I don't know, sir.

Mr. DEROUNIAN. What was Patty's income for 1958?

Mr. Ross. I am sorry; I don't know offhand. I could give you an approximation figure. Because of the "Challenge" I would say approximately \$40,000.

Mr. DEROUNIAN. So that the family now has a pretty good income?

Mr. Ross. No, sir. This is in a trust fund. Yes, there is an income there; yes. The "Challenge" is an irrevocable trust fund.

Mr. DEROUNIAN. I know on the kinescope that the MC said when he gave the check to Patty, this the the \$32,000 for education, Patty, and—

Mr. Ross. That is so, sir.

Mr. DEROUNIAN. That has been some education, has it not, this lying and cheating for money?

Mr. Ross. Mr. Derounian, whatever you say I cannot question.

Mr. DEROUNIAN. This Miss Bernstein must be a rare one, too. Marauding on these kids with her devious ways. It is a real shocking thing to me. I should love to have Miss Bernstein here and confront her with some of these things she has done.

I have no further questions.

The CHAIRMAN. Mr. Flynt?

Mr. FLYNT. Mr. Ross, did anybody from CBS ever ask you about any prior coaching?

Mr. Ross. No, sir.

Mr. FLYNT. At no time?

Mr. Ross. No, sir.

The CHAIRMAN. Mr. Devine?

Mr. DEVINE. No questions.

The CHAIRMAN. Mr. Moss?

Mr. Moss. Mr. Ross, you are the manager for Patty Duke. Does she have an agent, or are you also her agent?

Mr. Ross. No, sir; I am just her manager. She has the William Morris Agency.

Mr. Moss. In other words, you manage her income, advise her on her contracts?

Mr. Ross. Yes, sir; I advise her on the contract.

In other words, if the agent tells me that there was a certain offer made for her I decide whether or not I might, by my knowledge of the particular situation, be able to double that, triple it, or whatever the case may be.

Mr. Moss. In matters of public appearances, who controls there? Her agent, or do you?

Mr. Ross. Her agent would control that.

Mr. Moss. Was this show considered a public appearance?

Mr. Ross. At this time, sir, this was not her agent. There was no agent involved at this time.

Mr. Moss. At this time you were functioning as agent and manager?

Mr. Ross. No, sir; they called me for her, actually.

Mr. Moss. Mr. Harris called you originally to interest you in the Duke family; is that correct?

Mr. Ross. Actually, in effect, that is so. Would you want me to clarify it?

Mr. Moss. Is it so, or is it not?

Mr. Ross. A friend called me and said that there was a Mr. Harris there with a young man whom they thought might have possibilities, but they didn't want to bother because the boy had no money to help himself with a career.

Mr. Moss. Until Mr. Harris came into your office with Patty's brother—did you know him?

Mr. Ross. No, sir.

Mr. Moss. That was your first contact?

Mr. Ross. Yes, sir.

Mr. Moss. And he was trying to interest you. Are you a talent developer?

Mr. Ross. Yes, sir; my business is developing talent.

Mr. Moss. He was trying to interest you in this young man for purposes of developing him into something?

Mr. Ross. Yes.

Mr. Moss. That was your first contact with him?

Mr. Ross. Yes, sir.

Mr. Moss. Then did he play any part in interesting you in Patty?

Mr. Ross. No, sir. Not directly, sir.

Mr. Moss. Did he play any part at all?

Mr. Ross. No, sir. Raymond, Patty's brother, had suggested her at one point when we thought we might be interested in someone younger.

Mr. Moss. At this point, did you have Patty's brother under contract?

Mr. Ross. Yes, sir.

Mr. Moss. Do you still have him under contract?

Mr. Ross. Yes, sir.

Mr. Moss. And you became interested in Patty and undertook to develop her?

Mr. Ross. Yes, sir.

Mr. Moss. And all of this is under a contract arrangement?

Mr. Ross. Yes, sir.

Mr. Moss. Then Mr. Harris called you and suggested that you should permit Patty to go on the "\$64,000 Challenge."

Mr. Ross. Well, he called me and asked me if I would like to have her go into an interview for the "\$64,000 Challenge."

Mr. Moss. Just for an interview?

Mr. Ross. Yes, sir.

Mr. Moss. Had she had any contracts at that time? Was she appearing in any plays?

Mr. Ross. She was appearing in various television programs or on various television programs.

Mr. Moss. In other words, you were attempting to use the medium of television as a further means of building her?

Mr. Ross. I thought it might further her career, sir.

Mr. Moss. You regarded her, then, as a potentially valuable property?

Mr. Ross. Before that, sir; yes, sir.

Mr. Moss. In this appearance on the "\$64,000 Challenge," you talked only with Mr. Harris? Or did you talk with the producers of the "Challenge"?

Mr. Ross. My talk with the producer, if it was the producer—I don't remember his name—was very brief—just to the effect of having a release signed by the parent or something like that.

Mr. Moss. A release by the parents?

Mr. Ross. Yes, sir.

Mr. Moss. What type of release?

Mr. Ross. I believe, that she would not appear on any other quiz show, quiz program, for a period of so many months, sir.

Mr. Moss. In other words, you were agreeing during this period of buildup that you would not have her on any other quiz-type program?

Mr. Ross. That is right, sir.

Mr. Moss. You had no further understanding with them?

Mr. Ross. No, sir.

Mr. Moss. Notwithstanding the fact that this was a developmental period and you were most anxious to create a very salable image for Patty in the public mind, you were not interested in any details as to how long she might be on, what rewards might be expected. None of these factors were considered by you in arriving in this agreement to make her exclusively available to this particular quiz program?

Mr. Ross. I don't know if I understand the question, sir.

Mr. Moss. You were making her exclusively available to this particular quiz program?

Mr. Ross. I understand now, sir. What it is—they said this was the standard form that every contestant had to sign if they were to go on the show.

Mr. Moss. You were acting in the dual capacity of agent and business manager and you had presumably made an investment in her because you anticipated that there would be a return somewhere along the line?

Mr. Ross. I had no way of knowing, sir.

Mr. Moss. Unless you had expected reasonably that there would be a return, you would not have continued to expend funds for developing—

Mr. Ross. No, sir. The quiz show had nothing to do with whether I would further Patty's career or not. That had no effect.

Mr. Moss. If she was a flop on the quiz show it would have some effect on her career?

Mr. Ross. I don't believe so. Because Time magazine, the New York Tribune, and syndicated papers had given her mention as being outstanding.

Mr. Moss. You would like to have her outstanding on the show?

Mr. Ross. Yes, sir.

Mr. Moss. You never discussed any of these factors with the producers or anyone else?

Mr. Ross. No, sir; I had no conversations ever with them, as a matter of fact. Just with the exception of the incident I mentioned.

Mr. Moss. Then she went into screening sessions. Following the screening sessions, did you very closely question her as to what went on in those sessions?

Mr. Ross. Not closely, sir. I just wanted to know what areas were suggested for Patty to work in.

At one time, it was musical comedy. So we worked on musical comedies.

Mr. Moss. How did you work on musical comedies?

Mr. Ross. I got the album for the show for that year and then I had Patty study the writer and the lyric writer and the person who wrote the music and also the titles of the songs.

Mr. Moss. Study them? You mean to remember their names?

Mr. Ross. Yes, sir.

Mr. Moss. I noted in the question put to her in the kinescope that she was asked what Tab Hunter did before he became, what he is, a singer?

Mr. Ross. Actor.

Mr. Moss. Did you go into the very details of the background of these persons who might be involved in either singing a part or writing a score, or did you just listen to the music?

Mr. Ross. Just listened to the music, and Patty tried to remember the names of the different numbers and each musical comedy.

Mr. Moss. And then following these studies, was she very faithful in her study?

Mr. Ross. No, sir.

Mr. Moss. She was not faithful?

Mr. Ross. No, sir. In the sense that on more than one occasion I couldn't understand why she was not studying more.

Mr. Moss. Then just before the program she would go into a private session with Miss Bernstein?

Mr. Ross. I found out for the first time last Saturday, sir, that this one particular instance—if I might give a for instance—when I had mentioned “Memphis Blues,” that Miss Bernstein had told her there was a lone instrument that would be played in a number. I found this out last Saturday. This is the type of thing—

Mr. Moss. No, but did she meet with Miss Bernstein before each show?

Mr. Ross. She said she did.

Mr. Moss. Did you accompany her to the studio?

Mr. Ross. Not always, sir. Mostly, I did.

Mr. Moss. Did you accompany her the first time?

Mr. Ross. Yes, sir; I believe I did.

Mr. Moss. Did you know that she met with Miss Bernstein?

Mr. Ross. Yes.

Mr. Moss. She left you?

Mr. Ross. Yes.

Mr. Moss. Did you ask her what they discussed?

Mr. Ross. I did not ask her.

Mr. Moss. You were not interested?

Mr. Ross. No, sir.

Mr. Moss. Then she answered all the questions on the program. Were you at all interested how she developed the background information in a depth greater than the study?

Mr. Ross. The first couple of weeks, sir, they were simple questions and questions that I don't believe were difficult. Many of the questions that were asked Patty were questions that any child her age would know. It was not like a Robert Strom—it was not like a specific scientific thing where there would be a vast knowledge.

Mr. Moss. There is a fairly broad background required to answer the questions on the programs that these youngsters participated in.

Mr. Ross. This was confined to 1 year. However, after I started working at it, it was vast. I didn't think it was as vast as the scientific area.

Mr. Moss. When were you first contacted by the district attorney of New York?

Mr. Ross. I believe it was in October of last year, sir.

Mr. Moss. Prior to going down and talking with him, you contacted, I think you said, a Mr. Durante.

Mr. Ross. No; that was after.

Mr. Moss. That was after going to the district attorney?

Mr. Ross. I didn't contact him. EPI suggested I speak to him.

Mr. Moss. They called you and suggested you discuss the matter with Patty's attorney?

Mr. Ross. Yes, sir.

Mr. Moss. In your appearance at the district attorney's office, did you indicate that Patty had received assistance?

Mr. Ross. I did not, sir.

Mr. Moss. Not on the first appearance?

Mr. Ross. No.

Mr. Moss. Did you deny that she had received assistance?

Mr. Ross. There were certain accusations made at the time that were not true. I did say before the grand jury that I did regret it.

Mr. Moss. In other words, when you went before the grand jury you were more candid than when you discussed the matter with the district attorney?

Mr. Ross. Most certainly, sir.

Mr. Moss. Following your discussion with the district attorney you did talk with Mr. Durante?

Mr. Ross. The EPI sent me to Mr. Durante.

Mr. Moss. They contacted you and suggested it would be a good idea to talk to—

Mr. Ross. I think I had called them right away. Then they suggested I go meet Mr. Durante. I believe it was Mr. Durante.

Mr. Moss. Was it Mr. Durante or Mr. Lewis with whom you discussed this matter?

Mr. Ross. I am sorry, I don't—

Mr. Moss. You don't recall?

Mr. Ross. I don't recall.

Mr. Moss. How long following your conversation with Mr. Durante before you were requested to appear before the grand jury?

Mr. Ross. Weeks, I would say, a matter of a few weeks, sir.

Mr. Moss. When you received the request from the district attorney, did you then discuss the nature of the testimony with Patty as to what she should say?

Mr. Ross. No, sir. Mr. Leonard suggested that I not discuss anything with her and we have abided by it.

Mr. Moss. You did not sit down and attempt—

Mr. Ross. No, sir.

Mr. Moss. I asked the question because I have indicated that you were harboring some very strong suspicions that in these sessions alone with Miss Bernstein that she was being given far more specific help than just a suggestion of categories.

Mr. Ross. Yes, sir.

Mr. Moss. Yet in going before the grand jury, where you would be called upon to give truthful testimony, and she would, too, you made no effort to determine from her what the facts were?

Mr. Ross. No, sir. Mr. Leonard told me not to and I abided by what Mr. Leonard said.

Mr. Moss. Did you have any further conversations with Mr. Lewis or Mr. Durante before going before the grand jury?

Mr. Ross. No, sir; I never saw them from the one time they had mentioned something about the bar association.

Mr. Moss. Have you discussed this matter in more detail with Patty prior to your appearance here today?

Mr. Ross. No, sir. I am sorry, sir. On Saturday, may I explain?

Mr. Goodwin—on Thursday of last week, Mr. Goodwin suggested that I talk with Patty, to see about her coming. You wanted more specific information on Miss Bernstein. To see if she had more specific information regarding her talks with Miss Bernstein.

Mr. Moss. Did she accompany you to the district attorney's office on your first appearance?

Mr. Ross. On the very first one; yes, sir.

Mr. Moss. Following that appearance, did you discuss any of the details of the program?

Mr. Ross. No, sir; because I had not seen her after we left the office until after I had talked with Mr. Leonard which was probably the following day.

Mr. Leonard advised me—

Mr. Moss. You were never interested from the time of your first suspicions until Mr. Goodwin's suggestion to you in attempting to determine the true facts regarding Patty's relationship with the program.

Mr. Ross. That is right, sir. Because she had gone before the grand jury in New York.

Mr. Moss. This is a very long period we are discussing now. From your first suspicions until last week you had never attempted to determine what the true facts were?

Mr. Ross. No, sir.

Mr. Moss. That is your testimony. I can only say I am amazed that you are her manager, and made an investment and now have a property that is apparently producing some substantial earnings, that you had so little interest in very important details.

Mr. Ross. May I make a statement now, sir. I have seen from what I have read occasionally about the investigations how so many people have deliberately lied, and I have heard that in some instances it was like 90 percent lies. I felt, though, I was fortunate in going to Mr. Leonard, who advised me to tell the truth. He had advised Patty to tell the truth, and I felt from that moment on there was

nothing more I could do about it and whatever was going to happen was going to happen.

Mr. Moss. A very young immature person, although perhaps an unusual one is Patty. It would seem to me you would be very much interested in ascertaining the truth, and make sure she would testify to the truth.

Mr. Ross. Mr. Leonard was advising her in that capacity and advised me not to. Mr. Leonard said he is going to advise her to tell the truth no matter what.

Mr. Moss. You went to the district attorney's office before you discussed it with Mr. Leonard?

Mr. Ross. Yes.

Mr. Moss. That is the thing that puzzles me. Why there was no effort made to determine the facts prior to going to the district attorney's office.

Mr. Ross. I said, sir, that when I called EPI they said because of her being a child they didn't think they would bother her, or something to that effect. I did admit, sir, we were ill advised. As soon as we left the office and I realized it, I went to Mr. Leonard.

Mr. Moss. Did they ever discuss with you, in your conversations, that perhaps there should be an effort made to discourage the district attorney from calling her.

Mr. Ross. When you say, "they," sir?

Mr. Moss. Mr. Lewis or Mr. Durante or whoever it was.

Mr. Ross. Not specifically, sir.

Mr. Moss. Generally did they?

Mr. Ross. I just felt that their attitude was not right, sir.

Mr. Moss. They conveyed to you the feeling that there should be an effort made to discourage the district attorney from any further questioning of Patty; is that correct?

Mr. Ross. Based on the statement, sir, that they said they are going to notify the bar association, that sort of statement is the one I remember.

I felt as though this was not right. If there was something wrong and we were part of it—

Mr. Moss. Did you protest to them?

Mr. Ross. My manner of protesting, sir, was not going back to them and not discussing it any further with them.

Mr. Moss. You did not protest at the time of this discussion?

Mr. Ross. I walked out of the office. When I left that was the end. After they had sent me to their lawyer and my meeting with him, I just felt as though I had had it.

Mr. Moss. Have you had any further contacts with the producers?

Mr. Ross. No, sir.

Mr. Moss. Did you ever discuss it with Mr. Harris?

Mr. Ross. No, sir.

Mr. Moss. And some 3 months later you gave him a thousand dollars?

Mr. Ross. No, sir. The time sequence is wrong. You say it was 3 months after this. This was many, many months after the show you are speaking of now.

Mr. Moss. What was many months after the show? The appearance before the grand jury?

Mr. Ross. You were saying about my meeting with EPI.

Mr. Moss. Let us clarify it easily. When did you give him the thousand dollars?

Mr. Ross. About 2 to 3 months after the show.

Mr. Moss. And she appeared on the quiz program?

Mr. Ross. Yes, sir.

Mr. Moss. Did he need the thousand dollars?

Mr. Ross. I don't know, sir. I understand he made a very good salary.

Mr. Moss. How did you treat this matter for your tax purposes? Did you count it as an expense, this thousand dollar payment that you made to Mr. Harris?

Mr. Ross. I believe as a gift.

Mr. Moss. As a gift?

Mr. Ross. I believe so.

Mr. Moss. Did you charge it against the expenses of handling Patty, or was it out of your own personal funds?

Mr. Ross. I would say general business expenses, sir.

Mr. Moss. It did not come out of any of the earnings of Patty?

Mr. Ross. No, sir.

Mr. Moss. You treated it for tax purposes as a gift?

Mr. Ross. I believe so, sir.

Mr. Moss. Then it would not be a general business expense because you would be giving it as a personal gift. Is that the way you treated it?

Mr. Ross. I am sorry; I don't exactly know how it was handled, sir. I believe it was a gift.

Mr. Moss. Do you ordinarily give gifts of this type?

Mr. Ross. No, sir; this is the only time.

Mr. Moss. The only time you ever gave a gift?

Mr. Ross. Yes, sir.

Mr. Moss. Was Mr. Harris compensated by the producers of this program?

Mr. Ross. He receives a salary, sir.

Mr. Moss. He receives a salary, so he is compensated by the producers of the show?

Mr. Ross. Yes, sir.

Mr. Moss. You knew that?

Mr. Ross. Yes, sir.

Mr. Moss. You just gave it out of the kindness of your heart even though he did not need it?

Mr. Ross. I know that he does much good with the Boys Club.

Mr. Moss. Did you give it to him for the Boys Club?

Mr. Ross. He said he was going to make a donation if I remember correctly, and I believe he made a \$250 donation of it to the Boys Club for their theater or new curtain, or something.

Mr. Moss. Did you treat it separately for tax purposes?

Mr. Ross. It was treated separately, I believe.

Mr. Moss. It was treated separately as a gift?

Mr. Ross. I believe so, sir.

Mr. Moss. That is all the questions I have, Mr. Chairman.

Mr. BENNETT. Mr. Chairman, I have a couple of other questions.

When you got the \$32,000 for Patty, you had 15 percent coming?

Mr. ROSS. Yes, sir.

Mr. BENNETT. You got \$4,800?

Mr. ROSS. Yes, sir.

Mr. BENNETT. Is that all you got out of her \$32,000?

Mr. ROSS. Yes, sir.

Mr. BENNETT. The rest of the \$32,000 is in her trust fund?

Mr. ROSS. Yes, sir.

Mr. BENNETT. You paid the thousand dollars to Harris out of your \$4,800, or out of other funds?

Mr. ROSS. Out of other funds; yes, sir.

Mr. BENNETT. You asked for this to be a private session or executive session because you said you were going to say something that would defame or incriminate or degrade somebody. Have you testified to something that would tend to defame or incriminate or degrade some other person?

Mr. ROSS. I just felt the matter of Mr. Harris.

Mr. BENNETT. Do you feel that giving him the \$1,000 was defaming him?

Mr. ROSS. I did feel it might defame him in some way.

Mr. BENNETT. Yes.

Mr. ROSS. Because the intention that I had in giving it to him is because I felt I owed it to him for what he had done. I just thought it might be misunderstood.

Mr. BENNETT. Do you consider it was wrong for you to give even it and wrong for him to have accepted this thousand dollars?

Mr. ROSS. I didn't feel it was wrong, sir. I just felt it might be misinterpreted.

Mr. BENNETT. Why?

Mr. ROSS. I don't know why, sir.

Mr. BENNETT. Do you feel now that giving him this \$1,000, if the public knew about it, that would defame him from what you have said here?

Mr. ROSS. I felt, or I feel it might be misunderstood, sir.

Mr. BENNETT. It might be misunderstood?

Mr. ROSS. Yes, sir.

Mr. BENNETT. The more Patty made on this show, the "\$64,000 Challenge," the more money you made; is that right?

Mr. ROSS. Yes, sir.

Mr. BENNETT. Would that possibly be the reason that you were not concerned about the information you got that she received the answers to the questions in advance?

Mr. ROSS. It might be, sir.

Mr. BENNETT. I think that is all, Mr. Chairman.

(Discussion off the record.)

The CHAIRMAN. You testified, Mr. Ross, about your having made such a good witness before the grand jury. You did tell the grand jury, as you have already stated here, approximately what you said today except the information which was related to you when Mr. Goodwin saw you last week.

Mr. ROSS. Yes, sir.

The CHAIRMAN. Then when Mr. Goodwin told you about what he knew and found out and you found out that he knew what that was, then you recalled certain other facts, did you not?

Mr. Ross. No, sir. That is not so, sir. That is not so, sir.

The CHAIRMAN. Was it not true that there was certain information which has been developed here today that was not given to the grand jury?

Mr. Ross. No, sir; not that I know of, in the least, sir.

The CHAIRMAN. Is it not a fact that Patty did not give to the grand jury all the information that has been developed here?

Mr. Ross. I am sure she did, sir. The only thing is she had not given it to me because I never discussed it with her. That was the point that was in question on Saturday of last week.

The CHAIRMAN. It is my information that there were a great many of these facts, or some of these facts, which have been developed that were not developed before the grand jury?

Mr. Ross. No, sir; I don't know of anything that is different or changed in any way because this is the truth, sir. The only thing is, may I explain this, on Thursday last, Mr. Harris said—I beg your pardon, Mr. Goodwin said that he would like me to ask Patty specifically and he would like to find out more about her conversations with Miss Bernstein.

I had never had occasion to discuss this with her because Mr. Leonard told me not to. Then on Saturday we brought Patty to Mr. Leonard's office and in the presence of Mr. Goodwin she made certain statements.

But on the way to the office she also mentioned a specific thing which I brought out to Mr. Goodwin because I wanted him to know. That was Saturday, sir.

I can't be sure, but I assume this was brought out to the grand jury. We told Patty to tell the truth and I am sure she would not have withheld anything.

The CHAIRMAN. Why did you think it was necessary to tell Patty to tell the truth, a tender child like that?

Mr. Ross. Well, because we had been ill advised the first time and I just felt there should be no part of what these people wanted or what they might have wanted, to go down and further this thing with a lie or any kind, size, or shape.

The CHAIRMAN. We can pursue this questioning on and on, but Mr. Ross, it appears to me that from the statement you made of your suspicions at the outset of what was going on here and a girl of the tender age of 11 years old, immature, that you did not think enough of it, and did not think it important enough to pursue it and find out just what was going on.

Yet you were responsible for her. To me it is a rather unusual situation.

Mr. BENNETT. Mr. Chairman, will you yield?

The CHAIRMAN. Yes.

Mr. BENNETT. Mr. Ross testified that he knew that Patty had been given the answers to the questions that won her the \$32,000 the night it happened. It was not only a suspicion?

Mr. Ross. This was definite.

Mr. BENNETT. It was actual knowledge of the facts as they existed at the time.

The CHAIRMAN. The members have questioned you very carefully and closely about it because it is a highly important part of this

investigation in trying to unravel the facts as to how this program was actually rigged and to what extent those responsible would go to actually deceive the public and use contestants of this kind for that purpose.

It is simply, to me, almost incredible. But the subcommittee thanks you for your appearance here.

Mr. ROSS. Thank you, sir.

The CHAIRMAN. We will excuse you, if you like, Mr. Ross.

Mr. ROSS. Thank you, sir.

The CHAIRMAN. I understand that you would like to make a statement.

Mr. LEONARD. If I may, Mr. Harris.

Mr. BENNETT. Before he makes it, Mr. Chairman, I would like to have counsel direct to the subcommittee any arguments he may have as to why the testimony given by Mr. Ross should have been taken in executive session or having been taken in executive session should not now be made public.

Mr. LEONARD. There are two elements, Mr. Bennett. The first is that most of Mr. Ross' testimony concerns Patty Duke, who is a 12-year-old child, and doesn't need the press to fully exploit her for their own purposes.

The second is that this thousand-dollar gift made to Irving Harris will be construed, in my opinion, no matter the intentions with which it was given, as a bribe or as a payoff.

In either event, or because of those two facts, I feel that to reveal this testimony publicly is not helpful to Patty Duke or to Mr. Harris. I don't know what Mr. Harris has said about this, about the money, and I will go further and say I spoke to Mr. Harris personally at the time that Mr. Ross was to go before the grand jury and at that time I told Mr. Harris that he would have to—that Mr. Ross and Patty Duke had been instructed by me to tell the truth exactly as they knew it.

There was a very relevant point in this in relation to Mr. Ross and Patty Duke. I did not want to discuss this at all with Patty Duke because she is a child. I did not want to get facts into her mind which had been prepared by me or by Mr. Ross because I felt that the less that it was discussed between them the more truthfully they could answer.

Anything that Patty Duke would tell Mr. Ross at any time might be misconstrued by him and might cause contradictions at a later time between her testimony and his.

Therefore, I asked them after they had first been interviewed by the district attorney and when they came to me, not to discuss this in any way between them.

Generally, subsequently, I discussed it with Mr. Ross and told him that I wanted him to go before the grand jury with the facts as he knew them from his conversations with Patty Duke during the course of the show, not from conversations that would be created afterward.

Because one of the first questions that I felt the grand jury would go into was, Did your manager ask you to say this, did your attorney ask you to say this. I wanted to have both of them in there with a completely correct statement of what was done on the show, not

what was discussed later which might have created a whole series of conflicts.

Therefore, when Mr. Ross says he did not discuss with Patty Duke after the show was over and after she was called by the district attorney as to what happened in these sessions, that it was at my request that he did not discuss it.

When I met with Mr. Goodwin, and Mr. Ross, on Thursday, I told him this fact. He said all right, at this point of Mr. Ross, since Patty Duke was not coming here at all, directly question her as to all the details of what went on when Mr. Ross was not present.

Therefore, on Saturday, there were things that I learned that I had never known because I had never questioned Patty Duke myself, including the fact of the 15-minute sessions before the show which I was not aware of myself.

I don't think there was any other fact that came out on Saturday that I knew of before. I had known about the Memphis Blues incident before that time, I think, had I not?

Mr. ROSS. Yes.

MR. LEONARD. Mr. Ross had known it at that time and he told it to me. I told him to tell it to the grand jury.

But there has been no preparation between them or between counsel and either of them. Perhaps it is my mistake in not allowing a discussion. But I felt with a child the least it was discussed the clearer it would remain.

MR. BENNETT. Have you finished?

MR. LEONARD. Yes, sir.

MR. BENNETT. Mr. Chairman, I would like to say for the record it seems to me that your argument is not a valid one.

As I see it, what has been said here certainly cannot defame this innocent child. She has not done anything wrong. The testimony here does not indicate she has been guilty of any wrongdoing whatsoever.

It does indicate that you, Mr. Ross, are guilty of wrongdoing. Certainly equally as guilty as the people who manipulated this show.

The fact that you gave a thousand dollars to Harris, taking your word under oath as being the truth, certainly does not defame him, in my opinion, or incriminate him or make him guilty or charge him with any offense.

I personally feel, Mr. Chairman, while I am not going to raise the point at this moment, at the proper time I will move that this testimony of Mr. Ross be made public.

If the subcommittee is serving the purpose, and I think it is, to let the public know just what kind of conniving and shenanigans were going on with reference to these programs, they ought to have the whole story. I do not think they can have the whole story unless they can have the kind of story you have told here this morning.

MR. LEONARD. May I make a further statement. Patty Duke is now quite prominent in the newspapers because of her appearance on the show. I think possibly that putting her name very prominently in the papers at this point may be of great harm to her.

MR. DEROUNIAN. Mr. Leonard, did not Mr. Ross say that she was the most studied protege that went there and they got it because of her merit. What she has done in this show should not militate against her.

In fact, those people know she has appeared before the grand jury and has been part of the setup.

Mr. LEONARD. I am not talking about the show. I am talking about the general public. This girl has received a great deal of fame in the last week or two. There are various publications that are at this point anxious to use her picture on the cover.

As a matter of fact, when we came here today we had intended to be back in New York at 3 o'clock in order that Time magazine might meet with her.

If this does hit the newspapers broadly and widely, as it will if it is released publicly, I think it may do a great disadvantage to this child.

Mr. DEROUNIAN. And it will also lose 30 percent of it for your client. Let us not forget that phase.

Mr. LEONARD. I don't think he is interested in the 30 percent.

Mr. BENNETT. Will Time magazine pay you for this?

Mr. LEONARD. No; there is no payment.

Mr. MOSS. Mr. Chairman, I want to indicate my agreement with the statement of Mr. Bennett. I feel that the one thing we should let the public see and know about these shows is their willingness to take children or anyone else they could get hold of at the lure of a few dollars to get them into these fixed frauds on the viewing public.

I do not think the public is going to feel that Patty at the age of 11 was responsible for what happened, but I think they are going to feel rather disgusted with the type or the moral tone of the people who promoted and sold these programs.

I also feel that Mr. Ross shares a very heavy part of the responsibility. He was suspicious of it all along. I am amazed that he did not make more detailed inquiry. I can see nothing here which would be harmful to the young lady's character although I am not at the moment convinced that is in her best interests, either, but I am not her guardian. She seems to be exploited at the moment very profitably by quite a number of people, and not with the best as to what is for her own best interests.

But this is not going to be harmful in my judgment.

At the proper time, John, I will support your motion.

The CHAIRMAN. What is the subcommittee's desire with reference to hearing Patty Duke.

Mr. BENNETT. Mr. Chairman, is there anything to be gained so far as the objective of the subcommittee is concerned in setting information?

I would like to hear from Mr. Lishman.

Mr. LISHMAN. In my opinion, I think there is a great deal to be gained if the subcommittee should hear Patty.

(Discussion off the record.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

Mr. Merton Koplin.

**TESTIMONY OF MERTON KOPLIN, ACCCOMPANIED BY HIS COUNSEL,
HARRY M. PLOTKIN**

The CHAIRMAN. Are you Mr. Merton Koplin?

Mr. KOPLIN. Yes, sir; I am.

The CHAIRMAN. Will you be sworn?

Do you solemnly swear that the testimony you give to this subcommittee to be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KOPLIN. I do.

The CHAIRMAN. Will you have a seat, please?

Will you further identify yourself, Mr. Koplin, as to your residence address and occupation?

Mr. KOPLIN. My name is Merton Koplin. I live at 60 Gramercy Park, New York City. I have been a television producer.

The CHAIRMAN. Did you have anything to do with producing the "64,000 Challenge?"

Mr. KOPLIN. Yes, sir. I produced that for a period of some 9 months.

The CHAIRMAN. I believe Mr. Goodwin of our staff, who has conducted the investigation of this, will do the questioning at this time.

Mr. GOODWIN. Mr. Koplin, on approximately what dates were you the producer of the show, the "\$64,000 Challenge"?

Mr. KOPLIN. I produced the show from September 1956 until the end of May 1957.

Mr. GOODWIN. Who was your successor as producer of that show?

Mr. KOPLIN. I believe Mr. Ed Jurist came into the show at that point.

Mr. GOODWIN. Between what dates were you the producer of the show, the "\$64,000 Question"?

Mr. KOPLIN. I started producing the "Question" on September of 1956 and continued until it left the air in November of 1958.

Mr. GOODWIN. When you became producer, the show had been on the air for approximately 14 months, would that be correct?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. As producer of the show, was it one of your duties to screen and interview contestants prior to their appearances on the shows?

Mr. KOPLIN. Yes, sir; it was.

Mr. GOODWIN. Did you select the contestants who would appear on the shows?

Mr. KOPLIN. I selected the contestants insofar as I chose those who I felt would be good upon the show. This was subject to approval by the executive producer and the president of the company.

Mr. GOODWIN. Who was the executive producer?

Mr. KOPLIN. Mr. Steve Carlin.

Mr. GOODWIN. And the president of the company?

Mr. KOPLIN. Mr. Harry Fleischmann.

Mr. GOODWIN. Your selection of a contestant was subject to their approval?

Mr. KOPLIN. Yes, sir; it was.

Mr. GOODWIN. Were your suggestions approved regularly or was there a great deal of disparity over your thoughts as to who would make a good contestant and that of your superiors?

Mr. KOPLIN. In the main, my suggestions were approved.

Mr. GOODWIN. You are an employee of Entertainment Productions, Inc.; is that correct?

Mr. KOPLIN. That is right.

Mr. GOODWIN. At the time you became its employee, it was no longer Louis Cowan Enterprises?

Mr. KOPLIN. At the time I became producer it was no longer. When I went to work for Entertainment Productions in a lesser capacity, it still was Louis Cowan, Inc.

The CHAIRMAN. Mr. Plotkin, you are familiar with the rules and understand the procedure?

Mr. PLOTKIN. Yes, sir.

Mr. GOODWIN. Prior to becoming producer of these quiz shows, did you work on quiz shows in any capacity for Entertainment Productions, Inc.?

Mr. KOPLIN. Yes, I did. I was the associate producer on both the "Question" and the "Challenge" program.

Mr. GOODWIN. Were you the associate producer or connected with the "\$64,000 Question" from its inception?

Mr. KOPLIN. No.

I joined that program some 5 weeks after it started and did not have a title for the first 13 weeks the show was on the air.

Mr. GOODWIN. In your capacity of working on these shows prior to becoming producer, did you also have occasion to work with contestants?

Mr. KOPLIN. Yes, sir.

My principal function was to evaluate potential contestants.

Mr. GOODWIN. Did you work at all or in any capacity in connection with the show "Big Surprise," which was also produced by Entertainment Productions, Inc.?

Mr. KOPLIN. Yes. For a 6-month period I was associate producer of the "Big Surprise."

Mr. GOODWIN. In that capacity, did you work with and handle contestants?

Mr. KOPLIN. I did, yes.

Mr. GOODWIN. When you became an employee of Entertainment Productions, Inc., was it Louis Cowan Associates, Inc.?

Mr. KOPLIN. Yes.

Mr. GOODWIN. Had Mr. Cowan left the organization at that time?

Mr. KOPLIN. He left within 2 or 3 weeks after I arrived.

Mr. GOODWIN. That would be approximately 7 weeks after the "Question" show, which was the first of the big money quizzes, had gone on the air; is that correct?

Mr. KOPLIN. That is correct.

Mr. GOODWIN. Mr. Koplin, in your capacity of screening contestants, did you also have occasions to interview contestants, screen them and discuss their knowledge with them during the period of their appearances on the program after they had been selected?

Mr. KOPLIN. Yes, I did, sir.

Mr. GOODWIN. Mr. Koplin, I would like to ask you some general questions about the degree of control exercised on these programs, and as a result of your talks with contestants prior to their appearances on the "Big Surprise," the "\$64,000 Question," and the "\$64,000 Challenge."

Is it fair to say that those shows were controlled quiz shows?

Mr. KOPLIN. Yes, sir; they were controlled.

Mr. GOODWIN. Is it fair to say, Mr. Koplin, that the extent of control was such that when you wanted a contestant to continue on a show on the "Question" or the "Challenge," you could generally assure his doing so with a degree of accuracy about 80 percent of the time?

Mr. KOPLIN. Yes, I would say approximately 80 percent is correct.

Mr. GOODWIN. Is it true that on frequent occasions with you, there were occasions when you asked the contestant in your preliminary screening questions, virtually identical questions to those which were to be used on the show and told him the answers if he did not know them, in this way assuring success on the show?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Is it fair to say, Mr. Koplin, that usually contestants—or the more ordinary procedure was to control contestants through an intensive preliminary screening; that these screenings occurred prior to the contestant's first appearance and before each one of his subsequent appearances; that through this screening you found out what the contestants knew and then if you wanted a contestant to continue on the show you would ask him questions calling for information which you had previously determined that he knew?

That is, the question on the show would call for a specific fact, which you knew in advance of the show that the contestant knew, and is it fair to say that the method I have just described was used on at least one performance of 60 to 70 percent of all contestants, including at least one performance of nearly every person who won \$32,000 or \$64,000 on the "Question" show or advanced to the upper levels of the "\$64,000 Challenge?"

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Is it true that aside from the two methods that I have already described which comprise the bulk of the contestants, the rest of the time you exercised your control through a more general method of screening? Let me give an example with which you are familiar.

If a contestant was appearing in the category of American history, you would ask him in your screening to name the presidents in order. If he could do so, it was safe to assume that he could also give you the year in which any one president had been elected, and so you went ahead and asked him that on the program, and that this method of control, although more general, was also generally relied upon?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Is it true that on the occasions when you wanted a particular contestant to win on the "\$64,000 Challenge," you would control one contestant so that he would answer correctly and make an effort so that the other one would lose. If you care to amplify on that answer, you may.

Mr. KOPLIN. We could hope that one contestant would win by questions in the area of his knowledge. We could not predict that the other contestant would lose, because the most one could do would be to pose an obvious question, which may or may not fall within his specific area of knowledge.

Mr. GOODWIN. But the contestant whom you wanted to lose would receive no help in the form of having predetermined that he knew the answer from advanced screening, is that correct?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. And the question, although written as an obvious question, by that do you mean that it was a question not written literally to knock him off but just a difficult question in the area and you would not predetermine that he knew the answer?

Mr. KOPLIN. It was not necessarily a difficult question. It depended upon what level he was at. It equated with all other questions at the particular money scale. It was also a question within the heart of the subject, a question that could be found in common reference books, a question with which, if he were a thoroughgoing student of that subject, he would have relatively little difficulty in answering.

Mr. GOODWIN. But not having received any advance help in the form of a screening on that show, the chances were that he might lose and you counted on that?

Mr. KOPLIN. Yes, that was the direction in which we could go.

Mr. GOODWIN. Was there ever an occasion, Mr. Koplin, when you asked a contestant or contestants to miss a question deliberately if his opponent missed on that round and they both missed?

Mr. KOPLIN. Yes, there was an occasion for dramatic effect if it would not influence the outcome of the match.

Mr. GOODWIN. Is it true that generally you exercised more stringent controls on the "\$64,000 Challenge" than on the "\$64,000 Question" because, in dealing with two contestants, it was more difficult to assure contestants of the outcome of a match?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Mr. Koplin, your screenings at which the various methods of control that we have heretofore discussed took place, were these screenings often lengthy and elaborate affairs?

Mr. KOPLIN. Yes. They were always elaborate and lengthy affairs.

Mr. GOODWIN. You often took a great deal of time discussing with a contestant his areas of knowledge, his subject?

Mr. KOPLIN. Yes.

The primary requisite for a job such as I held was infinite patience, and a desire to explore thoroughly the knowledge that these people came into the office with.

Mr. GOODWIN. Did you take notes or did you try to remember what they had said in order to prepare yourself for writing the questions in the future?

Mr. KOPLIN. I tried to remember what they said.

Before a contestant appeared on the show, I felt it my obligation to familiarize myself with his subject so I could discuss it with him. In this way, it was not a matter of checking question 1 or 2 or 3 right or wrong, but it was getting a thorough estimate of his capacity to answer questions, and his background in the particular subject.

Mr. GOODWIN. You also took mental note or otherwise of the specific information which he had, as you have testified, in order to write questions calling for that information?

Mr. KOPLIN. In some cases specifically. In some cases generally. We tried to ask a man, for instance, questions that previously had been used on the show. If in the case of a battle on any one category, if

he described this battle in great detail with coloring, with amplification, with extraordinary knowledge and insight, one could assume that he had a thorough going knowledge of other battles associated with this. So that if one could describe the Battle of Gettysburg, it would not be necessary to quiz him about some other battle. You would have some assurance that he would be able to go through that also.

Mr. GOODWIN. Again, Mr. Koplin, that was not the most general method of all.

You testified that in one performance you found that at least 60 to 70 percent of all contestants knew a specific fact, that was later called for on the program?

Mr. KOPLIN. This requires some amplification.

While 60 to 70 percent of the people at one time might receive a question they previously had answered before, our questions were multipart; three-, four-, five-, or six-part questions. The questions asked on the air might concern itself with only one part or two or three of which we knew he had knowledge. The rest of them were inferential or tangential questions, or questions that I had the feel they would do well with.

It might be that a person who eventually got into the high levels may have been asked a question he previously had been asked only at very low levels.

There was a certain necessity at times, we felt, for introducing a question that he would gain confidence from. If at a \$4,000 level, a three-part question came up, and the man was nervous and just going into the booth, would take heart from the fact that here is a solid fact he knows. Then he could proceed on.

This was sometimes introduced as a helpful psychological device.

Mr. GOODWIN. More often was it introduced in order to assure the contestant's success on the program in order that the ratings on the show might be kept high?

Mr. KOPLIN. Not necessarily, but this is a factor.

Mr. GOODWIN. Mr. Koplin, in these preliminary screenings, where you determine what facts the contestants knew in order that they might later be asked about them, is it possible that in many instances, because of the methods employed by you, that the contestants themselves were not aware of what was going on?

Mr. KOPLIN. I would say that the contestants were not aware. This was the object of all of my work. I never entered into an agreement with the contestant. To the best of my ability I tried to prevent their being aware that I was obtaining information from them.

Mr. GOODWIN. Mr. Cugat was aware, was he not?

Mr. KOPLIN. Well, I don't know when Mr. Cugat became aware. He has the benefit of hindsight at this point, and he has the benefit of much soul-searching, as have we all.

At the time that I spoke with Mr. Cugat, I don't think there was an awareness. If I may comment briefly, I think the story told by Mr. Cugat agrees generally with the story I would tell of the same occurrence, with a slight shift in focus, however, that I think has certain pertinence.

When I screened Mr. Cugat, I early discovered that it would not be suitable to use the standard statistical type questions with Mr. Cugat—who wrote "Sixteen Tons" might very well leave him gasping. How-

ever, Mr. Cugat's life had been woven in for some 30 years with the history of music, publishing, and the entire category of Tin Pan Alley.

When I first spoke to Mr. Cugat, I started to ask him questions and within a 5- or 10-minute period realized that the normal procedure would not be applicable, so I sat and drew out the story of his life. I spent several hours listening to him describe his life from the time he had come as a child to Cuba, the trials and tribulations, his work there as a violin prodigy with the symphonic orchestra, his coming to the United States, going on tour with Mr. Caruso, and his entire career until he became one of America's foremost entertainers.

We spoke of the people with whom he had been associated, the friends he had, the things he had witnessed, the events in which he took an actual part, the programs he had been on in the early days of radio, and with whom he had been on these shows.

From this entire background I was able to prepare anecdotal material.

For example, the first question asked of Mr. Cugat referred to the politician, who, while still a State senator, had written the lyrics to "Will You Love Me In December As You Do Now It Is May."

Mr. Cugat had had a relief band at the Grand Central Casino at the time that Ed Duchin had the orchestra. Almost nightly Mr. Walker would enter the Casino and the band would swing into "Will You Love Me In December As You Do Now It is May."

It was not necessary, nor desirable, nor practical nor in any way indicated that I had to give an answer to this to Mr. Cugat. This was part of his life.

Similarly, his next question, dealing with a facet of Irving Berlin with whom he had an intimate acquaintanceship. This was a procedure followed with Mr. Cugat. It was not a matter of coming in and saying, here are the questions, here are the answers, the questions at enormous effort were created out of the matrix of his existence.

Mr. GOODWIN. Did you ask Mr. Cugat in this preliminary session any of the identical questions without telling him they were to be the questions on the show nor giving him the answers, but asking him the identical questions which were later used on the program?

Mr. KOPLIN. It might be.

In most cases I tried to paraphrase them, conversationalize them, get away from it being a cut and dried setup kind of thing.

Mr. GOODWIN. Mr. Koplin, were there occasions on which someone who was given a test prior to their appearance on the program, then asked during their appearance on the program questions which they had answered correctly on that test?

Mr. KOPLIN. Yes.

Mr. GOODWIN. And with other contestants, was there an occasion in which you had a complete file of information on contestants as to what they knew and the questions were drawn from the information which you had in this file and knew that they knew?

Mr. KOPLIN. Sometimes.

Mr. GOODWIN. Although accepting your statement that you did not tell the people these were the questions or answers except on rare occasions or give answers, again let me say, was not the major method of control used that of determining in advance that the contestant had in his grasp the specific fact which was to be called for?

Mr. KOPLIN. The specific fact or area.

Mr. GOODWIN. Mr. Koplin, were these controls exercised throughout the life of the "\$64,000 Question" and the "Challenge"?

Mr. KOPLIN. We had no idea of controls or when I entered the scene, the controls had not been formulated. We had a desire for people to do well. We fumbled. It evolved. We tried to create techniques that would insure people doing well and continuing without having to have recourse to such things as giving questions and answers.

Mr. GOODWIN. The "\$64,000 Question" was the first of the big money quizzes; was it not?

Mr. KOPLIN. Yes, it was.

Mr. GOODWIN. And it was not planned or designed to your knowledge, or was it, as a controlled show?

Mr. KOPLIN. No, it was not.

Mr. GOODWIN. These controls began to develop shortly after the program went on the air?

Mr. KOPLIN. Within the first few months, yes.

Mr. GOODWIN. Were they in response to a desire to keep contestants on the air so that their drawing power, their audience ratings, would climb?

Mr. KOPLIN. Yes, I would think that is a fair statement.

Mr. GOODWIN. Once the pattern of controls had become established, was it consistent then throughout the life in all big money questions, the "Question," the "Challenge," and the "Big Surprise" produced by EPI?

Mr. KOPLIN. Yes.

Mr. GOODWIN. When did controls cease on the "\$64,000 Question"?

Mr. KOPLIN. We stopped using any controls whatsoever when we went back on the air after a summer hiatus of 13 weeks in October of 1958.

Mr. GOODWIN. Was this after the Stony Jackson complaint and the Cohen-Springer affair had been brought to the attention of the Columbia Broadcasting System?

Mr. KOPLIN. Yes, it was.

Mr. GOODWIN. Coming back to that, Mr. Koplin, in a few minutes, as an associate producer of the "\$64,000 Question," as the producer of the "\$64,000 Challenge," as a man who was connected with all of the big money quiz shows in a relatively responsible capacity, did you have occasion to attend any meetings between Entertainment Production, Inc., and Revlon, Inc., with reference to these television programs?

Mr. KOPLIN. Yes, I did. I attended meetings starting in September of 1956.

Mr. GOODWIN. With what frequency were these meetings held?

Mr. KOPLIN. They were held every week.

Mr. GOODWIN. Where were they held?

Mr. KOPLIN. At the offices of Revlon, the sponsor.

Mr. GOODWIN. You stated, if I may go back for a moment, that you started attending these meetings in September 1956. When did you stop attending these meetings?

Mr. KOPLIN. I stopped in the fall of 1958.

Mr. GOODWIN. When the "Question" went off the air?

Mr. KOPLIN. No. When the "Question" went back on the air for an 8-week period.

Mr. GOODWIN. And that 8 weeks was its last 8 weeks?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Who was present at these meetings, Mr. Koplin?

Mr. KOPLIN. Mr. Fleischmann, Mr. Cowan, and myself.

Mr. GOODWIN. Mr. Fleischmann was the president of EPI?

Mr. KOPLIN. Yes.

Mr. GOODWIN. Mr. Cowan was the executive producer of the shows and yourself?

Mr. KOPLIN. And myself, representing EPI. The Revlon people consisted of the vice president in charge of advertising, Mr. Abrams.

Mr. GOODWIN. Mr. George Abrams?

Mr. KOPLIN. Mr. George Abrams, his assistant at that time, Mr. Mandel, Mr. Martin Revson.

Mr. GOODWIN. Mr. Martin Revson was an executive at that time or coowner of Revlon, Inc.?

Mr. KOPLIN. Yes, I believe his title was general vice president or vice president in charge of——

Mr. GOODWIN. He is a brother of Charles Revson, the president of the company?

Mr. KOPLIN. That is my understanding.

Mr. GOODWIN. He was the chairman of these meetings?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Who else was present?

Mr. KOPLIN. The various advertising agencies that handled the Revlon accounts.

Mr. GOODWIN. These agencies changed with frequency, did they not, during the course of the program?

Mr. KOPLIN. Yes. We had three or four different sets of agency people.

Mr. GOODWIN. Is it correct to say that at first Revlon was represented by Norman, Craig & Kummel and C. J. LaRoche and then Batton, Barton, and so forth, followed by Warwick & Legler, their present agency?

Mr. KOPLIN. Yes.

Mr. GOODWIN. And representatives of all these agencies were present at all times?

Mr. KOPLIN. Yes.

Mr. GOODWIN. What subjects were discussed at these meetings?

Mr. KOPLIN. We discussed everything connected with the show. We would discuss the previous show. We would announce potential candidates for appearances on the show. We would discuss categories that would be introduced on the show.

We discussed format. We discussed almost anything you can discuss on the program.

Mr. GOODWIN. Did you discuss contestants who appeared on the program?

Mr. KOPLIN. Yes.

Mr. GOODWIN. At any meeting, did the sponsor indicate a desire that certain contestants should continue on the program and certain should not?

Mr. KOPLIN. Yes. They had definite opinion as to the value of all contestants.

Mr. GOODWIN. In what way did they manifest these desires to you?

Mr. KOPLIN. They spoke glowingly of them or they criticized them. They did not like some.

Mr. GOODWIN. Did they ever say "it would be good for the show if this contestant continued"?

Mr. KOPLIN. Yes, they did.

Mr. GOODWIN. Did they ever say it would be good for the show if this contestant went off?

Mr. KOPLIN. Yes.

Mr. GOODWIN. Was it your impression that they expected producers to carry out these wishes by using controls on the program?

Mr. KOPLIN. Yes, it was.

Mr. GOODWIN. Did you also agree to the sponsor's wishes in connection with contestants?

Mr. KOPLIN. No, sir. We had our own very definite opinion. We did not always agree with them.

Mr. GOODWIN. Mr. Koplin, is it fair to say that the sponsor and the producer and the advertising agency present might argue as to a contestant's value to the program, but a decision was reached as to whether a contestant should continue or should be dropped from the program, and it was then expected that the producers would carry out this decision with the controls at their command?

Mr. KOPLIN. Yes, I think that is a fair statement.

Mr. GOODWIN. If the producer agreed to do this or manifested in some way his agreement that he would go along with the sponsor's wishes, but he did not achieve the desired result in the next program through failure of control or your methods were too general, what was the reaction of the sponsor at the next meeting?

Mr. KOPLIN. The atmosphere was one of extreme displeasure.

Mr. GOODWIN. How was this displeasure made manifest in any way. Was it a matter of looks, groans?

Mr. KOPLIN. It took many forms. It could be in the form of a long lecture.

Mr. GOODWIN. What sort of lecture? What would be the content of such a lecture?

Mr. KOPLIN. A general criticism of our instincts for showmanship. It could be manifest only by intenseness throughout the meeting and disapproval of any ideas or contestants or categories we had in mind.

Mr. GOODWIN. If you succeeded, what would be the reaction of the sponsor; would he be pleased?

Mr. KOPLIN. As pleased as—yes, he would be pleased.

Mr. GOODWIN. You mean pleasure was a very relative concept in these meetings?

Mr. KOPLIN. I never found any pleasure in those meetings.

Mr. GOODWIN. Did the sponsor ever explain to you, and by "sponsor," we are speaking of Revlon, Inc., are we not? Both of us understand that?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Were the sponsor's wishes ever explained or were discussions made on the basis of the show's ratings? In other words, the desire to keep the contestants on was in order to have high ratings in the show?

Mr. KOPLIN. Yes, sir; I think that was the primary motivation. There were charts pinned on the wall at all times showing the week-

by-week ratings, correlated with the rating of a particular week was the contestant and his category. They attempted to draw conclusions from that.

Mr. GOODWIN. What sort of conclusion?

Mr. KOPLIN. If we had a man with a beard on, the conclusion was that we should get more men with beards.

If we had some one with an exotic category, the feeling was expressed we should get more exotic categories.

If we had a younger contestant, the cry went up that we should have a young contestant on every show.

Mr. GOODWIN. Did the sponsor or representatives of the sponsor or agency ever ask the producers what they expected to happen on a subsequent program, that is, with regard to whether a particular contestant would go on or fail or how a match would come out out on the "Challenge?"

Mr. KOPLIN. Yes, sometimes.

Mr. GOODWIN. Did they ever indicate that the result that you expressed to them was unsatisfactory to them?

Mr. KOPLIN. Yes, they did that.

Mr. GOODWIN. What did they say, in expressing such dissatisfaction?

Mr. KOPLIN. Well, they might criticize the fact that a certain contestant was anticipated to continue to upper levels. They indicated perhaps they were dull or didn't like them or they had no appeal, or they were not good for publicity.

Mr. GOODWIN. Did the sponsor ever complain to the producers about their lack of ability or their ability to control contestants on the programs?

Mr. KOPLIN. Yes, they did. Our controls were not completely effective. We, for instance, could not insure that someone would lose, nor did we want to insure that anyone would lose.

We could not guarantee that someone would win. We did our best. We could make educated guesses. We could cast the question within areas of knowledge. But this was not a completely foolproof system nor did we want it to be. We were sometimes taken to task for this.

Mr. GOODWIN. When you say you were taken to task for it, you mean that your failure to control the contestants was criticized? The sponsor intimated or said that you should have a greater ability to control the contestants and you should have done something which you did not do?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. That is a fair statement?

Mr. KOPLIN. I think that is a fair statement.

Mr. GOODWIN. Generally when the sponsor's wishes were being expressed, who was the spokesman, Mr. Abrams or Mr. Revson?

Mr. KOPLIN. I would think Mr. Revson was during the time that he was there. He generally had the agenda of proceedings and would make his comments.

Mr. GOODWIN. Did you ever inform the sponsors or did they inquire of the specific methods of control that you used?

Mr. KOPLIN. No, sir.

Mr. GOODWIN. Was it your impression that the sponsor was interested more in results than in specific method of controls that was used?

Mr. KOPLIN. Yes.

Mr. GOODWIN. Were written memoranda of these meetings ever circulated?

Mr. KOPLIN. Yes, they were.

Mr. GOODWIN. Did these written memoranda fairly reflect the content of the meeting?

Mr. KOPLIN. They usually indicated the consensus of opinion at the meeting.

Mr. GOODWIN. Who prepared these memoranda?

Mr. KOPLIN. Normally it was one of the agency men.

Mr. GOODWIN. Generally, did the memoranda state that decisions had been arrived at that a certain contestant would continue or that a match would end?

Mr. KOPLIN. No, they did not.

Mr. GOODWIN. Those were not. Yet those were the decisions you testified that were arrived at and the things that were discussed.

Mr. KOPLIN. No one ever said so and so will lose next week, so and so will win next week, we want this, we want that.

It was general in feeling and in attitude. The memorandum, therefore, would take a general tone. It might say, "We will try to introduce a new contestant, age 30 on the show," or "younger contestants," or "Let us try to get more people going for top money" or less people, or something of that nature.

Mr. GOODWIN. But the specific discussions of contestants and the impressions which you gained from the meeting or your awareness of the fact that decisions were being made about contestants, this was not contained in the memoranda generally?

Mr. KOPLIN. No, sir.

Mr. GOODWIN. I hand you this memorandum of a meeting of March 15, 1957, as a typical memorandum for the record, and ask you to identify it as a memorandum of that meeting.

Mr. KOPLIN. May I take a moment to read it?

Mr. GOODWIN. Yes.

Mr. KOPLIN. Yes, sir, this is a memorandum of the meeting.

Mr. GOODWIN. And this is the memorandum which you have testified do not generally contain decisions about contestants, but spoke in more general language?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Would you read item 2?

Mr. KOPLIN. "It was decided there was a definite need for the \$64,000 Question' to have more losers."

Mr. GOODWIN. What does that mean?

Mr. KOPLIN. It means that there were too many winners. I don't mean to be impertinent, but they felt that the electricity, perhaps, was going out of a contest if people got on and won consistently. It didn't have enough meaning. They wanted more people to lose, to highlight the winnings.

Mr. GOODWIN. And as with other decisions that you have testified to, they expected the producers to the best of their ability to carry out this decision?

Mr. KOPLIN. We had a struggle with this one. We could not predict losers on the show.

Mr. GOODWIN. It was easier to carry out decisions about winners; is that correct?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Would you please read into the record the names of those to whom this memorandum was circulated?

Mr. KOPLIN. It is addressed to Mr. M. Revson, G. Abrams, E. Mandel, H. Fleischman, S. Carlin, and B. Foreman.

Mr. GOODWIN. And it appears on the letterhead of the advertising agency of Batton, Barton, Durstine & Osborne.

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Mr. Chairman, I ask permission that this memorandum be inserted into the record. At one time there was a memorandum circulated which dealt with the decisions which you have testified were made at these meetings in more specific terms than the memorandum you have just been shown?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Can you tell me what the contents of this memorandum were?

Mr. KOPLIN. The memorandum outlined in specific detail what the expressed desire at the meeting was for the following week's program.

Mr. GOODWIN. When you say in specific detail, is it fair to say that this memorandum said that typical of its contents was a comment that such-and-such a contestant will advance to another plateau on the "Question," or that such-and-such a man will end on the "Challenge"?

Mr. KOPLIN. Yes.

Mr. GOODWIN. What was the reaction, since this memorandum you have testified is very different from the previous ones, or the reaction at the next meeting to a circulation of this memorandum?

Mr. KOPLIN. My reaction was horror.

Mr. GOODWIN. May I interrupt one moment for one question before this. Was this memorandum a true translation into plain language of what you had generally understood the purport of the previous meetings or most of the meetings in the 2 years which you attended to be?

Mr. KOPLIN. Yes, it was.

Mr. GOODWIN. Can you tell now what the reaction was when this memorandum was circulated?

Mr. KOPLIN. I was horrified when I saw the memo and the reaction at the following meeting was extreme impatience with it, and an order that there be no more memos of any kind in the future.

We objected vigorously to the fact that there was such a memorandum on two counts: One, we could never fulfill to exact specifications the contents of this memo; and two, it was sheer madness to express such a desire.

Mr. GOODWIN. Did anyone ever order those memorandums destroyed?

Mr. KOPLIN. I wouldn't know that.

Mr. GOODWIN. Have you seen a copy of that memorandum subsequent or during the course of this investigation?

Mr. KOPLIN. No, I have not.

Mr. GOODWIN. Do you know if there was a request made for a copy of this memorandum from EPI?

Mr. KOPLIN. Made by whom, sir?

Mr. GOODWIN. By our investigators or by myself.

Mr. KOPLIN. Yes, sir; I believe you asked for such a memorandum. We had no copy.

Mr. GOODWIN. You had no copy available. Subsequent to that time, were any memoranda of weekly meetings ever received by the producer of the shows?

Mr. KOPLIN. No, sir.

Mr. GOODWIN. To your knowledge were there any such subsequent memoranda?

Mr. KOPLIN. Not to my knowledge.

Mr. GOODWIN. The memorandum to which you refer is not the memorandum which I handed you to read; is that correct? It is a memorandum of which you do not now have a copy?

Mr. KOPLIN. That is right.

Mr. GOODWIN. It was this memorandum of which you are now talking which said in specific terms that a certain contestant would advance and a certain match would end, which was much more explicit, in other words, than the memorandum which I just showed you?

Mr. KOPLIN. Yes, sir.

The CHAIRMAN. You are testifying to something which is a memorandum, a written instrument, which we do not have?

Mr. KOPLIN. Yes.

The CHAIRMAN. In order to make it clear, have you identified it as much as you can for the record?

Mr. KOPLIN. I don't know what identification can be put to that memorandum. It became known as the famous "last memorandum" in our conversations.

The CHAIRMAN. Who prepared it?

Mr. KOPLIN. It was prepared in similar fashion to the memoranda circulated previously. It came from B.B.D. & O.

The CHAIRMAN. It came from whom?

Mr. KOPLIN. Batten, Barton, Durstine & Osborne, in a similar fashion to the other memoranda.

The CHAIRMAN. They prepared it?

Mr. KOPLIN. Yes, sir.

The CHAIRMAN. At whose request?

Mr. KOPLIN. I don't know that.

Mr. GOODWIN. This was a standard practice, was it not, to prepare a memorandum which set forth the results of the weekly meeting?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. The advertising agency prepared this memorandum as it had the others; is that correct?

Mr. KOPLIN. That is right.

Mr. GOODWIN. And circulated it to the people who were present at the meeting; is that correct?

Mr. KOPLIN. That is right.

Mr. GOODWIN. Do you know approximately what date this famous "last memorandum" was circulated?

Mr. KOPLIN. No, sir; I don't. The memorandum was not addressed to me. We kept no record of this. We were not interested particularly in the memorandums. My observation of it only was by reading a copy sent to either Steve Carlin or Harry Fleishmann.

Mr. GOODWIN. As the ratings of the show declined, did the pressure to control contestants become more intense?

Mr. KOPLIN. I would think so. The most frequent thing was to achieve more dramatic results.

Mr. GOODWIN. Mr. Koplin, in summarizing these meetings, is it the substance of your testimony—and I will break this into parts—

(a) that the sponsor was fully aware that the program was being controlled by the producers, is that correct, although not aware of the methods used?

Mr. KOPLIN. It is my opinion that is a fair statement, yes.

The CHAIRMAN. I would rather you would state whether or not that is true, and not in your opinion whether it is a fair statement or not. You can testify if it is true or not, as you know.

Mr. KOPLIN. As far as I know that is a true statement, sir.

Mr. GOODWIN. Is this statement of yours based on your having attended meetings with the sponsor for a period of 2 years and what was said and done at those meetings?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Is it also the substance of your testimony that decisions were made in which the sponsor, the producer, and the advertising agency participated as to in what direction a contestant on the "Question" or "Challenge" should be controlled?

Mr. KOPLIN. They expressed an opinion. We did our best to carry out such a request.

Mr. GOODWIN. Although you often differed with them and argued with them?

Mr. KOPLIN. Yes.

Mr. GOODWIN. Sometimes the final decision would be a result of your views as the result of theirs; is that not true?

Mr. KOPLIN. Or our views instead of theirs.

Mr. GOODWIN. And it was expected by all those at the meeting, by the agency and the sponsor, that the decisions or the wishes would be carried out on the program with as high a degree of accuracy as possible?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. And when you failed to carry out those wishes there was displeasure expressed?

Mr. KOPLIN. Yes, sir.

The CHAIRMAN. Displeasure expressed by whom?

Mr. KOPLIN. Either generally by the entire group, or specifically by Mr. Revson or Mr. Abrams.

The CHAIRMAN. In other words, you are talking about Revlon now?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. What form would this displeasure take?

Mr. KOPLIN. It might take the form of a lecture. It might be in the general atmosphere of the meeting, which was grim and tense. It might be in the form of recrimination. It might take any form. It might be as veiled as just look.

Mr. GOODWIN. Mr. Koplin, is it ordinary for a producer of a show to have weekly meetings with the advertiser and the advertising agency?

Mr. KOPLIN. No. This is the only occasion in my experience that this had been the case.

Mr. GOODWIN. From your experience in television production was the Revlon interest and participation in this show an extraordinary occurrence?

Mr. KOPLIN. Yes, it was.

Mr. GOODWIN. Mr. Koplin, at one time in 1958, the incident of Mr. Cohn and Mr. Springer, of which we heard testimony yesterday, came to your attention, did they not?

Mr. KOPLIN. No, sir; I have no direct knowledge of this.

Mr. GOODWIN. You participated in no meetings with the sponsor or with the Columbia Broadcasting System at which this incident of Cohn-Springer was discussed?

Mr. KOPLIN. No, sir.

Mr. GOODWIN. The incident of Rev. Stoney Jackson, when that came to the attention of the show, were you ever present at any meetings with the sponsor or CBS at which this was discussed?

Mr. KOPLIN. No, sir.

Mr. GOODWIN. Were you ever asked by the Columbia Broadcasting System or by Revlon, Inc., whether or not these charges were true?

Mr. KOPLIN. No. They would not ask me. I had no connection with the "Challenge" show in which the incidents occurred at that time.

Mr. GOODWIN. Prior to these incidents which were the first ones which received public attention where a contestant made a complaint, in the years of production of the "Question" and the "Challenge," did any representative of the Columbia Broadcasting System ever ask you in any fashion whether the shows, the "\$64,000 Question," or the "\$64,000 Challenge," were controlled shows?

Mr. KOPLIN. No, sir.

Mr. GOODWIN. Did any representative of the National Broadcasting Co. ever, throughout the life of the show "The Big Surprise," ask you whether or not that show was a controlled show?

Mr. KOPLIN. No, sir.

Mr. GOODWIN. Mr. Koplin, are you aware that in late 1956 and in 1957, articles began appearing in publications, trade, press, and national publications, claiming that your shows and other quiz shows were controlled?

Mr. KOPLIN. Yes, sir, I am aware of that.

Mr. GOODWIN. Are you aware that in April 1957, in an article entitled—this is April 22, 1957—an article entitled "The Sixty Million Dollar Question," in Time magazine, an article was written on the control of quiz shows? That in this article it was stated that the producers of many shows control the outcome as closely as they did without collusion with contestants yet far more effectively than most viewers suspect.

This article also charged that people appearing on shows had been guaranteed money. That this article also charged that producers of shows were using techniques in order to make contestants continue in order to raise ratings. That a contestant on "The Big Surprise" admitted publicly in Time magazine that on some of the questions he answered during his screening interviews turned up on the show themselves.

That the article concluded, a four-page article, by saying that the producers seem to be able to control everything except their own fears of losing their audience.

In light of this publication in early 1957, and of other articles which appeared in the press, was it not strange to you that no representative

of either network for whom you were producing quiz shows ever asked you if there was one word of truth in these articles?

Mr. KOPLIN. I had no direct contact with the networks at any time. They would not tend to ask me anything, good or bad.

Mr. GOODWIN. To your knowledge, during 1957 was any member of your organization approached and asked if the shows were controlled?

Mr. KOPLIN. Not to my knowledge.

Mr. GOODWIN. Have you discussed this matter with Mr. Carlin, who was the head and executive producer of Entertainment Productions, Inc.?

Mr. KOPLIN. Yes, I have.

Mr. GOODWIN. Has he stated if anyone every approached him and asked if the shows were controlled?

Mr. KOPLIN. He stated that no one has.

Mr. GOODWIN. Do you regard this as somehow strange, that in light of national publication of charges of quiz show control, that no one from either network was interested enough to contact the producers of the show? I am asking you a question.

Mr. KOPLIN. Strange? Yes, I suppose it is strange.

Mr. GOODWIN. There was an article recently by Mr. Walter Lippmann in which he said that a few individuals, notably a few producers and contestants, are made to atone for the sins of the entire industry.

Do you regard this as a fair statement?

Mr. KOPLIN. I think there is a great deal of justification to that.

Mr. GOODWIN. In light of the fact of these publications, these national publications, of charges which show control, and in light of the fact that at least within your experience and the experience of your organization, one of the largest producers of quiz shows, no inquiries were ever made, would you consider it a fair statement to say that at least the eyes of the television industry were closed to this mass deception on the American public?

Mr. KOPLIN. I am troubled with the last part of the sentence.

The CHAIRMAN. If you don't like the choice of his words, you make your own statement.

Mr. KOPLIN. No one seemed to care.

Mr. GOODWIN. Despite the fact that there had been national and public airing of such charges there was no one who seemed to care!

Mr. KOPLIN. I am not sure that they were regarded in the light of charges. We made no effort to disguise the fact that the "Sixty-four" shows were controlled. All of our publicity, even in the earliest days, indicated that we had contestants thoroughly screened and explored their area of knowledge. It has been described in many publications, the thoroughness of our testing, before someone went on the air. We looked for the most knowledgeable people we could find. Our screening covered hundreds of thousands of people. We went through something like 20,000 letters a week until we narrowed the search down to the 2 or 3 or 5 that might possibly have enough knowledge to get on the show. We made no secret of this intensive search, and we had reporters constantly sitting in on our screening interviews with people where I was seeking to determine that their area of knowledge was great. It has been described in books and magazines, and in the daily press.

Mr. GOODWIN. Mr. Koplin, when this article in Time magazine said everything was rigged short of absolute collusion with the contestant

and we find that a contestant on the "Big Surprise" was asked the identical question he was asked in the screening, this went further than any press notice.

Mr. KOPLIN. Yes, this article went to a further extent.

Mr. GOODWIN. Despite the fact that your testimony now reveals a lot of what this article said was absolutely accurate, there were no inquiries within the television industry?

Mr. KOPLIN. None that I am aware of, sir.

Mr. GOODWIN. None that you are aware of.

Would it be fair to say that the most charitable thing that can be said is that the television industry closed its eyes to this deception?

Mr. KOPLIN. I think they accepted it as a natural part of show business.

Mr. GOODWIN. Mr. Koplin, just a few more questions.

To your knowledge, did Mr. Louis Cowan of Louis Cowan Inc., presently president of CBS Television, ever have any contact with any of the contestants who appeared on the "\$64,000 Question" and "Challenge"?

By contact, I mean did he participate in screening them?

Mr. KOPLIN. No, sir.

Mr. GOODWIN. Mr. Koplin, to your knowledge, did Mr. Louis Cowan at any time, either when he was with this show or subsequent to his having left the show, have any knowledge whatsoever of the types of controls that you were exercising on those contestants?

Mr. KOPLIN. No, sir.

Mr. GOODWIN. Did Mr. Cowan frequently visit the EPI offices?

Mr. KOPLIN. I don't believe Mr. Cowan ever visited the EPI offices after he left in August of 1955.

Mr. GOODWIN. That was approximately 7 weeks after the show had gone on the air?

Mr. KOPLIN. That is right.

Mr. GOODWIN. Did Mr. Cowan ever attend any of the shows?

Mr. KOPLIN. No, I don't believe he did, sir.

Mr. GOODWIN. Did Mr. Cowan ever discuss particular contestants with you or your handling of these contestants?

Mr. KOPLIN. No, sir. I had no contact with Mr. Cowan after he left the office except for one luncheon on which he urged an intensification of the search for interesting and knowledgeable and personable contestants.

Mr. GOODWIN. But to your knowledge, Mr. Cowan, then, you say, had no knowledge whatsoever of the controls you were exercising?

Mr. KOPLIN. That is correct.

Mr. GOODWIN. One other brief line of questions, Mr. Koplin.

Mr. Koplin, the questions which appeared on the "\$64,000 Question" were represented as having come from the vault of a bank; is that not correct?

Mr. KOPLIN. That is right.

Mr. GOODWIN. Was the purpose of this device on the show to give the public the impression that since a reliable and reputable bank had placed these questions in the vault, there was no chance that a contestant could receive advance help?

Mr. KOPLIN. I don't know what the original purpose of the bank was. It was in effect when I joined the show, some 5 weeks after it had started.

We maintained it for a period of time, the most scrupulous attention to detail.

For instance, I would go to the bank after a show in which a large question had not been used and burn the question so that the contents thereof would not be revealed. This was so that the contestant would never know whether he might or might not have been able to get it.

Every question that ever appeared on the show had been placed in the vault. We maintained this after a while.

Originally full sets of questions were placed in the vault so that there was a sequence of questions from 64 through 64,000. This soon became impracticable. Our questions became more elaborate. We started to use more visual devices. We tried to improve questions constantly.

They took on a broader aspect. Then it soon became a very cumbersome device. If it takes a full week of effort to create a \$32 or \$64,000 question, then it didn't seem appropriate to spend that amount of work until it was necessary to have such a question.

So after a period of time the device of putting the questions in the vault became an encumbrance.

The problem we faced, then, What do you do with it? This was as much a part of the show as the isolation booth or the machine that dealt out the preliminary questions or the master of ceremonies himself.

The public is very sensitive to any change in the physical appearance of a show. We continued on with this merely because it was in existence and continued to be in existence.

Mr. GOODWIN. Were questions often rewritten or modified a few days before the show, or at least on one occasion on the day of the show itself in light of the screenings that you would have with contestants?

Mr. KOPLIN. Yes.

Mr. GOODWIN. With those questions, did you then rush down and place them in the vault so that they could be back up in time for the show?

Mr. KOPLIN. Yes.

Mr. GOODWIN. Did the producers have a copy of these questions at all times?

Mr. KOPLIN. Yes.

Mr. GOODWIN. In fact, the bank, while a useful bit of show business, afforded no security whatsoever; is that correct, against any type of control that any producer might desire to exercise?

Mr. KOPLIN. That is correct.

Mr. GOODWIN. How did you come to choose the Manufacturers Trust Co., or do you know?

Mr. KOPLIN. No, I don't know.

Mr. GOODWIN. Mr. Koplin, I think I have no further questions. I would like to say, Mr. Chairman, that I have dealt with many, many witnesses in New York and I think that Mr. Koplin and Mr. Carlin have been the most cooperative and truthful and honest from the first day that I arrived until today, with whom I have come in contact and I would like to thank them very much for it.

The CHAIRMAN. The memorandum referred to a moment ago will be included in the record.

Do you want the letter to go in with it, Mr. Goodwin?

There is no reason for this going in the record is there?

Mr. GOODWIN. No.

The CHAIRMAN. Very well, the memorandum will be included in the record.

(The memorandum follows:)

CONFIDENTIAL NOTES

BATTEN, BARTON, DURSTINE & OSBORN, INC.

MEETING OF MARCH 15, 1957

From Albert Ward to M. Revson, G. Abrams, B. Mandel, H. Fleischman, S. Carlin, B. Foreman.

1. The contestants for the Tuesday, March 19, "Question" show will be:

Robert Strom, "Science."

Commander Stafford, "American Literature."

Kate Lloyd, "Men's Fashions."

2. It was decided there was a definite need for "\$64,000 Question" to have more losers.

3. There will be a reexplanation of the prize plateaus in the new rules.

4. There will be some kind of visual illustration of the new plateaus.

1. The contestants for the Sunday, March 17, "Challenge" show will be:

Teddy Nadler versus Dr. Ranney, "Civil War."

Mrs. Lowell Thomas, Jr., "Geography."

Count Lukawiecki versus Grace Lapergola, "Hot Rods."

2. Discussion of change of format for "Challenge."

(a) EPI met with Y. and R.

(b) We will kinescope the new format Sunday, March 24.

3. It was decided that the rule which tells the champion whether or not the challenger won or lost, will not be worried about because the new rules will encompass this problem.

Everybody at the meeting was against dropping to the next lower money plateaus when both champion and challenger lose.

EPI will have their own discussion and give us some resolution next week.

Steve Carlin rereviewed the rules as applied to the new "Challenge" format.

4. Tom Noonan was discussed as a possible replacement for Hal March during his vacation.

The CHAIRMAN. Mr. Mack?

Mr. MACK. Mr. Chairman, I have no questions at this time.

The CHAIRMAN. Mr. Bennett.

Mr. BENNETT. Mr. Koplin, would it be correct to say that your program as presented was false and deceptive as far as the viewing audience is concerned?

Mr. KOPLIN. No, sir; I don't regard that it was false and deceptive.

The "\$64,000 Question" purported to have on it the most knowledgeable people we could find. This is what occurred.

I don't think that any contestant ever appeared on the show during the period I was responsible for it who was not an expert in some phase of human knowledge.

Mr. BENNETT. I don't question that is true. Does that mean that the program was not false and deceptive? Let us take "Challenge," because I think it is clearer in the case of "Challenge" in our record, in my opinion, than "Question."

Mr. KOPLIN. At the time that the shows were on, sir, I did not regard them as false and deceptive.

In view of the revelations and the investigations of this committee I think I would be more inclined to take that view at this point.

However, again we endeavored to put on the air as knowledgeable and as informed people as was possible to obtain.

Mr. BENNETT. I do not raise any question about that myself. I think to properly run any kind of quiz program you would have to have the right to determine the general qualifications of the contestants you were going to have on the show.

In other words, you would not want to be forced to take a person with a third grade education and ask him a lot of questions about historical or scientific subjects.

Mr. KOPLIN. Yes, sir.

Mr. BENNETT. I think no one questions your right to have used controlled methods in selecting the kind of contestant, that is, by educational requirements, background, scientific skill, knowledge, or what not.

The point I am raising is that after you got this type of individual, you then represented to the public that this was an honest competition between two skillful, intelligent, talented people, when, as a matter of fact, it was not. That is true, is it not?

Mr. KOPLIN. We have discussed and you have investigated in the main, the exceptions to what was our general policy, sir. In the bulk of the matches anything could happen and so often did.

Many times champions were upset. Many times the outcome of a match went contrary to our first impression of it. There were exceptions to this. There were cases where we tried to influence.

Mr. BENNETT. You mean if you told the contestant the answer to the question and he forgot the answer, it would not go the way you had planned?

Mr. KOPLIN. No.

Mr. BENNETT. I mean that could be one way your plans could go wrong?

Mr. KOPLIN. If he were given a question that he would be apt to forget, that is how it could go. But as I have attempted to illustrate, questions were drawn out of the fabric of the person's existence, their interest, their background.

We tried to determine what they knew but not coach them into knowing something they had not known. This is my personal experience.

Mr. BENNETT. You discussed at length your conferences with Mr. Cugat. He was here this morning and his explanation was very direct and simple. You were the one who went over to see him at his apartment, were you not?

Mr. KOPLIN. That is right.

Mr. BENNETT. Did you hear his testimony this morning?

Mr. KOPLIN. Yes; I did, sir.

Mr. BENNETT. He said, referring to you, that "he did not say in so many words that the questions he asked me would be the questions that were on the show, but when the questions were asked on the show they were the same questions I had been asked in my apartment." That is a pretty simple explanation of what you were doing; is it not?

Mr. KOPLIN. That is the simple explanation of it. It is not a simple situation, however. Even in Mr. Cugat's situation, we cannot

refer back to forgetting answers that I gave him. These were answers drawn out of what he had given me.

Mr. BENNETT. Did you give him the answers to questions that he did not know?

Mr. KOPLIN. No, sir. There was not a time when he didn't have some approximation of what I was trying to get at. If I could have had him discuss a particular question there would be no problem at all.

The only area where it might have become more direct with Mr. Cugat was where I could not communicate with him subtly. He knew all of these things. The problem was to have him translate this into words that would answer a quiz show question. That is where I spent my time with Mr. Cugat.

Mr. BENNETT. You spent your time with him to see that he would stay on the show for a period of time. It was your purpose not to have Cugat go off the show on the first question; is that not true?

Mr. KOPLIN. Actually, the Cugat incident—

Mr. BENNETT. Is that not true? You can answer that question "Yes" or "No." Is it not true that you did not want him off the air on the first question; that you made arrangements to see that he would not have gone off the air.

Mr. KOPLIN. Yes, sir.

Mr. BENNETT. Is that same thing not true up until the point where he reached the \$16,000 question?

Mr. KOPLIN. I am sorry, I can't answer that simply "Yes" or "No," sir. I would like to. It was a constant struggle for him to answer these questions. We would have liked the match to go even further. This was not possible because of the difficulties. This man, while knowing this material, could not answer it clearly and in keeping with the quiz show technique.

So that the Cugat match ended sooner than it would have been liked. This is an example of where control does not work. That match would have gone another 2 or 3 weeks, really, but it was impossible to do it without baldly giving him questions and answers, and this I never did.

Mr. BENNETT. In order to keep contestants on the show in the "Challenge" program, if you were going to go any length of time, you had to see that both of them had the answers, did you not?

Mr. KOPLIN. Yes, it was necessary that they both could answer a question.

Mr. BENNETT. So that in the case of Cugat, you not only had to fix him up with the answers, but you had to fix up his opponent with the answers.

Mr. KOPLIN. It was necessary to write questions—

Mr. BENNETT. Because both had to answer the question to go to the next highest level?

Mr. KOPLIN. That is right. It was necessary to write questions in both their areas of knowledge.

Mr. BENNETT. So when you got ready to get rid of one of them, or get Cugat off the show, you had to arrange it so his adversary did not have the right answer. Is that the way it worked?

Mr. KOPLIN. No. It was not a matter of arranging that she didn't have the answer, sir; it was a matter of not being able to sustain that match any further.

Mr. BENNETT. Why not? You could sustain it by providing the answers up to \$16,000. Why did you not go on indefinitely. Counsel says that ratings were going down. Is that why?

Mr. KOPLIN. No, sir; the ratings were going up. It was always a help to have a celebrity to the best of my knowledge.

The Cugat match did not end because of ratings. The Cugat match ended because I could no longer write questions into their area of knowledge.

Mr. BENNETT. Cugat answered the question. It was his opponent that failed?

Mr. KOPLIN. That is right.

Mr. BENNETT. You mean you could not keep her going?

Mr. KOPLIN. That is correct, sir.

Mr. BENNETT. You gave her the answers and she forgot even them.

Mr. KOPLIN. No, sir; I gave no one answers.

Mr. BENNETT. Cugat says you did. He said so in pretty plain and simple language. He goes on here:

We went through the same procedure a day or so before each of the other shows on which the questions were asked. After the first time we were asked questions on the show, I knew, of course, the questions asked in my part would be the questions asked on the show.

Was he correct in that statement?

Mr. KOPLIN. I would not dispute Mr. Cugat, Mr. Bennett. However, I feel there is a great distinction to be made between giving one an answer and drawing out from them an area of knowledge or specific facts that you can safely ask them on the show.

Mr. BENNETT. You make it sound very complicated and very involved, but as far as Cugat was concerned, he just got the impression that you came over there with a question or a series of questions, provided him with the answers to the questions and when he got on the show the same questions were asked.

Mr. KOPLIN. I cannot dispute—

Mr. BENNETT. When you boil it all down, is not that what was going on?

Mr. KOPLIN. No, I don't think I can boil it down to that extent, sir.

The CHAIRMAN. If the gentleman will yield, I think this is very important from what you said and what Mr. Bennett is asking about.

On page 2 Mr. Cugat stated—he makes this statement categorically—"When he appeared," talking about you, "we sat down and he asked me a series of questions. I knew the answers to some, but I didn't know the answers to the others. When I didn't know the answers he gave me the answers."

You have just made the statement that you gave no one the answers. Either you or Mr. Cugat is wrong.

Mr. KOPLIN. Mr. Chairman, I don't want to get into a material dispute with Mr. Cugat. Perhaps we can explain the conversations with Mr. Cugat as a conversation. When we discussed a musical event of 10, 20, or 30 years previous, it was a give and take exchange.

If you knew a great deal concerning a certain thing, and I had studied up on the particular situation, it is conceivable that in my discussions with him, certain information was imparted to him, making up one facet of the question. This is entirely possible, probable, and I will not dispute this.

Mr. BENNETT. To boil it down to its bare bones, and I think you can answer this one "Yes" or "No," these were questions asked of Mr. Cugat on the program that were previously asked by you of him in his apartment?

Mr. KOPLIN. Yes, sir.

Mr. BENNETT. Were some of the answers to the questions you asked him in his apartment provided by you.

Mr. KOPLIN. In the manner I have described; yes.

Mr. BENNETT. Were they or were they not? Yes, or no?

Mr. KOPLIN. Yes.

Mr. BENNETT. Did you ever have a contestant on the program that did not need help?

Mr. KOPLIN. Did not need help?

Mr. BENNETT. Yes.

Mr. KOPLIN. Yes; I think there were many contestants on the program that needed no help.

Mr. BENNETT. I mean a contestant that you wanted to keep on the program. Did you have a contestant that you wanted to go to a certain plateau and that you were sure did not need any help from you?

Mr. KOPLIN. Yes, sir.

Mr. BENNETT. Name me one.

Mr. KOPLIN. I can name several of them.

Mr. BENNETT. Name one.

Mr. KOPLIN. When I screened a man from Louisiana named Dr. Alexander Saturwarsky, it occurred to me that this man was completely encyclopedic on the subject of American history. He was. He was completely encyclopedic to an absolutely astounding extent.

Mr. BENNETT. What about this man named Nadler? He was one of the biggest money winners on the program. Was he one of those?

Mr. KOPLIN. Mr. Nadler in his four, five, or six areas, is completely encyclopedic, sir. You merely have to push the right button and you get a complete flood of information.

Mr. BENNETT. You mean he was one that did not need or receive any help from you?

Mr. KOPLIN. Yes, sir.

Mr. BENNETT. Did you use what you call the playback method on Mr. Nadler?

Mr. KOPLIN. Yes; I did.

Mr. BENNETT. Is that a method designed to help the contestant answer the first question correctly?

Mr. KOPLIN. Yes.

Mr. BENNETT. If he didn't need any help, why did you use that on him?

Mr. KOPLIN. Playback was to guide us in the preparation of questions. It occurred in this manner, sir. You sat and listened.

Well, with Mr. Nadler I was the first person in the world who ever listened to him. He had been trying for some 40-odd years to get people to listen to him reel off information. When he came into our offices, after a great reservation on our part, really, because we didn't believe that anyone could make the fantastic claims that he had made in his letters of application—when he came in—I would ask him about a single facet of his area, and he would go for 20 minutes at a stretch.

Similarly with music or geography or baseball. In the areas that he had an interest and knew, it seemed that he knew anything. It probably was only to stay within those broad general areas which we thought was completely acceptable, and so we did.

Mr. BENNETT. But you had him on your "Challenge" program on a great variety of subjects, and I think you advertised, or at least inferred, that he could take on any contestant, at least I think he did say he could take on any contestant on any subject.

I recall one program that I watched where he was trying to get a match with Van Doren. Do you recall that?

Mr. KOPLIN. Yes.

Mr. BENNETT. He wanted to challenge him, get him on the program?

Mr. KOPLIN. Yes; I think that would have made an interesting match.

Mr. BENNETT. But Van Doren needed help. At least he said so yesterday.

Mr. KOPLIN. Yes.

Mr. BENNETT. It would have been a good match anyway. You could have helped Van Doren and Nadler did not need any help and they would have ended up in a tie. I want to refer to the memo your counsel gave our counsel in reference to Nadler. This is dated March 21, 1958:

It was not decided as to how much longer Teddy Nadler would continue on the "Challenge." There was a discussion as to whether Dr. Musica should be brought back for a rematch.

What did you mean if you could not decide on how long he was to stay on the program. Did not that mean you could control the time that he was going to be on?

Mr. KOPLIN. At that point we were scheduling a series of matches of different people against Mr. Nadler. It was our discretion when any one match ended whether to schedule another match against him or whether to bring on two fresh people in a match of their own. That is what was indicated there.

So it was not a matter of the next week he would drop out of sight. But as a geography match ended, we had the option of scheduling him on a music match or bringing in a different champion or two fresh people or another match. That was that reference.

Mr. BENNETT. How did you get rid of Nadler in the "Challenge"?

Did you have his opponent lose? If you failed to coach the opponent and then Nadler would win at a certain level and he would be through?

Mr. KOPLIN. Actually, the problem in matching people against Mr. Nadler, the biggest problem was keeping his opponent going.

Mr. BENNETT. That is what I mean.

Mr. KOPLIN. We tried to get knowledgeable people to come up against him. Quite often they missed on a question we had anticipated they would get. So his matches ended at various levels. Anywhere from \$2,000 or \$4,000, or if they were stronger they would carry him up and either tie or in one case he was defeated or he would win eventually. His matches came to some sort of logical conclusion in one way or another.

Mr. BENNETT. It was not because he lost. It was because his opponent lost.

Mr. KOPLIN. He lost a match, he tied a match, or more, and his opponents lost.

Mr. BENNETT. What functions did Miss Bernstein have in your organization. We have heard a lot about her in the last day or so.

Mr. KOPLIN. I left the "Challenge" show at the end of May 1957, because I didn't feel that I had enough time to devote to two shows. She then took over the running of the "Challenge" show.

Mr. BENNETT. And she followed the same practice that you followed in giving them the questions, and the answers if they did not know them, and then ask them the same questions on the show?

Mr. KOPLIN. I cannot speak for her particular practices. I can only say that our general policy was as I have described, sir.

Mr. BENNETT. Were you on the program when these two youngsters, Patty Duke and Eddie Hodges were on and tied at \$64,000 and got \$32,000 each?

Mr. KOPLIN. No, sir; I had already left the program.

Mr. BENNETT. You were not there?

Mr. KOPLIN. No, sir.

Mr. BENNETT. In a case like that, would both of the contestants be coached so that the thing would come out even?

Mr. KOPLIN. I have no idea of the procedures used there. It varied in each case.

Mr. BENNETT. Were you on when any of these youngsters were on?

Mr. KOPLIN. Yes.

Mr. BENNETT. How did you handle them?

Mr. KOPLIN. I had a match with two children spelling. It was a matter simply of playback with them on spelling prior to their entrance to the show to determine their qualifications to be on the show. We would run through some three, four, five hundred or more spelling words, and I would endeavor to see that the words they had to spell were those that they could spell.

Mr. BENNETT. What about boys like Richard Strom, the scientist and Leonard Ross, the stock market expert. Were you handling the shows when they were on?

Mr. KOPLIN. Not the "Challenge" for Bob Strom. I was on the "Challenge" when Leonard Ross was on the show. With Leonard it was a matter of listening to him.

Mr. BENNETT. In this spelling contest between the youngsters, how did that come out? How far did that go?

Mr. KOPLIN. They tied at \$64,000.

Mr. BENNETT. Were both those youngsters coached as they went along?

Mr. KOPLIN. I would not say they were coached at all. Their questions were selected from words I had determined before they went on the show they knew.

Mr. BENNETT. You are saying the same thing, are you not? In other words, you didn't ask them to spell any words they didn't know how to spell.

Mr. KOPLIN. That is right.

Mr. BENNETT. Did you give them both the same kind of coaching?

Mr. KOPLIN. Well, there is a connotation to coaching, Mr. Bennett, which indicates—

Mr. BENNETT. That is a polite way of putting it. I can put it another way. That would be to say that you just took them in a room and gave them some questions, found out if they knew them, and if they didn't know them you gave them the answers and then asked the same questions on the program. I was going to call that coaching. Maybe that is not the right word.

Mr. KOPLIN. In answer to your last description, that was not the method I used, sir.

Mr. BENNETT. But you were careful not to ask them to spell any words they didn't know how to spell.

Mr. KOPLIN. That is right.

Mr. BENNETT. So you came out with the same result?

Mr. KOPLIN. The results were the same. The methods were entirely different.

Mr. BENNETT. You say that this procedure was well known with everybody in the industry?

Mr. KOPLIN. I can't say.

Mr. BENNETT. This screening, or coaching, or instructing.

Mr. KOPLIN. I can't say what the entire industry knew.

Mr. BENNETT. I thought you said that in answer to a question that counsel asked you a while ago, that this practice of yours, this control, I think you said, was well known to everybody in the industry.

Mr. KOPLIN. As an opinion I would think it was generally accepted as such by the industry, yes.

Mr. BENNETT. By control, do you mean control of the background and education of the contestants, or control of what questions were going to be asked?

Mr. KOPLIN. I think the general methods of control used.

Mr. BENNETT. Are you saying that sponsors of these programs and the broadcasting industry and the producers all knew that they were phony and fixed and false and misleading while they were going on?

Mr. KOPLIN. No. I only say I believe I knew they were controlled.

Mr. BENNETT. They were false and misleading, too, were they not?
(No response.)

Mr. BENNETT. Let us go back to Cugat. When you gave him an answer to a question and then asked him that question on the program, you were presenting to the television audience a misleading picture of the facts, were you not?

Mr. KOPLIN. That very well may be, sir.

Mr. BENNETT. When you say there was general knowledge of these practices in the industry, are you referring to this kind of a thing, or are you referring to something else?

In other words, is this the kind of a thing that everybody in the industry knew about? Is that what you are saying?

Mr. KOPLIN. I don't know whether they knew about it. I would assume they did. I cannot speak for the industry, Mr. Bennett.

Mr. BENNETT. Did you testify before the grand jury?

Mr. KOPLIN. Yes; I did.

Mr. BENNETT. And you told them the same story you are telling us?

Mr. KOPLIN. Yes; I did, sir.

Mr. BENNETT. Were you called in by the district attorney for questioning prior to the grand jury?

Mr. KOPLIN. No; I was not.

Mr. BENNETT. You were not?

Mr. KOPLIN. No.

Mr. BENNETT. Are you sure about that?

Mr. KOPLIN. I cannot speak with any assurance. It was a rather chaotic period. I may very well have been called in by Mr. Stone at that time.

The CHAIRMAN. You may very well have been what?

Mr. KOPLIN. Called in by him previous to my appearance.

Mr. BENNETT. If you were called in, you told him the same story you told here?

Mr. KOPLIN. Yes, sir.

Mr. BENNETT. Did you regard this as an honest, moral way of presenting programs, acceptable generally in your industry, or did you feel that the public was being gypped?

Mr. KOPLIN. No; I felt, by and large, at the time that it occurred, that this was an acceptable way to conduct a program. In the light of what has transpired, I would certainly not want to run a show at this point with controls.

Mr. BENNETT. You have changed your mind since?

Mr. KOPLIN. Yes. I think we are likely to err too many times.

Mr. BENNETT. Do you think now that shows produced this way ought to be forbidden by law?

Mr. KOPLIN. Produced this way. It is not a matter of law.

Mr. BENNETT. Let us say presented this way.

Mr. KOPLIN. I think regulation is not a matter of legality at this point. I would certainly abide by any laws or rulings made. I think the publicity that has been attendant upon them in the work of this committee makes it inconceivable that such practice can be utilized again.

Mr. BENNETT. When you began your show, did you feel that in order for it to be a success it had to be misleading in the respects we have discussed here today?

Mr. KOPLIN. Yes, I think so. These were not the principal factors at that time. You must understand that when this show—

Mr. BENNETT. Did you start out the show with the same policy of coaching contestants?

Mr. KOPLIN. No, sir.

Mr. BENNETT. Was that the policy right from the beginning?

Mr. KOPLIN. No, I don't think so. This evolved later.

Mr. BENNETT. Did you know anything about your competitors' shows—competitor quiz shows? Did you people collaborate with one another? Did you all know that the other fellow was doing the same thing?

Mr. KOPLIN. No, there was no contact between the two groups.

Mr. BENNETT. Did you just take it for granted that "Twenty-one" was a fixed show, or did you regard that as an honest presentation?

Mr. KOPLIN. I really didn't have an opinion about it. I thought they were amazingly successful in achieving dramatic results.

Mr. BENNETT. You were not interested in what brought that about?

Mr. KOPLIN. Not really.

Mr. BENNETT. That is all.

Mr. ROGERS. Who owns EPI?

Mr. KOPLIN. I don't know.

Mr. ROGERS. You don't know who the stockholders are?

Mr. KOPLIN. No, sir.

Mr. ROGERS. You named the president?

Mr. KOPLIN. Yes.

Mr. ROGERS. Are you acquainted with the board of directors?

Mr. KOPLIN. No.

Mr. ROGERS. You know how many stockholders they had?

Mr. KOPLIN. No, I don't know.

Mr. ROGERS. You don't know whether it was a front corporation to possibly avoid liability or not?

Mr. KOPLIN. I don't know, sir.

Mr. ROGERS. What is the connection of Mr. Jurist with this organization?

Mr. KOPLIN. At this time there was no connection. At one time or another he produced several of the shows put on by EPI.

Mr. ROGERS. Did he serve in an official capacity in that corporation?

Mr. KOPLIN. No. He was an employee in a similar situation as myself. He worked as a producer. We are hired for a certain period of time and are not stockholders.

Mr. ROGERS. You don't know whether he owned any of the stock or not?

Mr. KOPLIN. I don't know.

Mr. ROGERS. Were you there on a salary?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. No commission of any kind; just a straight salary?

Mr. KOPLIN. That is right.

Mr. ROGERS. You made some reference to the way these programs were controlled. Who was the original owner or produced of this "\$64,000 Question," or "Challenge"? Was it Mr. Cowan?

Mr. KOPLIN. When the "Question" show first went on the air it was produced by Louis Cowan, Inc.

Mr. ROGERS. Who is Mr. Cowan?

Mr. KOPLIN. Mr. Cowan—well, he is one of the pioneers in radio and television.

Mr. ROGERS. What is his present position?

Mr. KOPLIN. He is the president of CBS-TV, now.

Mr. ROGERS. President of CBS. Did you say in answer to a question of one of the committee members that this "\$64,000 Question" had been controlled since its inception?

Mr. KOPLIN. No, sir; I said that this process of control evolved as the show continued on the air.

Mr. ROGERS. Evolved as it continued on the air. Were you with it from the beginning, Mr. Koplin?

Mr. KOPLIN. No, sir; I was with it some 5 weeks after it came on.

Mr. ROGERS. Was Mr. Cowan still with it, then?

Mr. KOPLIN. Yes; he was in the process of leaving. He left within 2 weeks after I arrived.

Mr. ROGERS. Did the evolving of the control take place while Mr. Cowan was there, or immediately after he left?

Mr. KOPLIN. I think it occurred sometime after he left. Somewhere in the late summer or fall.

Mr. ROGERS. Then you tell this committee that that program was honest and aboveboard and that there was no control of any kind as long as Mr. Cowan was associated with it?

Mr. KOPLIN. That is true, to the best of my knowledge.

Mr. ROGERS. How long was it run honestly and without control while you were with it, before it changed over?

Mr. KOPLIN. Well, this was a tentative thing at first. We didn't want to direct the destiny of the people on the "\$64,000 Question" in that early period. We were primarily interested in knowing what a good area of knowledge would be to direct questions into. It was tentative and fairly imperfect, and consisted primarily of listening to them talk, and then drawing up questions tangential or inferred from what questions we asked them.

Mr. ROGERS. Didn't you testify that from the beginning or the very early part of this show that you wanted to indicate to the public that you were delving into certain categories and that is what was going on? You wanted the people to know that there was a certain type of control because you were delving into certain categories and so indicated on the air?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. Was that practice before Mr. Cowan left, or after?

Mr. KOPLIN. You are speaking of screening of the contestants, or determining their qualifications to be contestants before they were actually put on the show.

Mr. ROGERS. Be that as it may. Was that projected to the public mind, to the viewer, that is what you were doing?

Mr. KOPLIN. I don't know that was so on the program itself. It certainly was in all the attendant publicity of which there was much.

Mr. ROGERS. That was while Mr. Cowan was on the show; was it not? While he was associated with it?

Mr. KOPLIN. Yes.

Mr. ROGERS. And the purpose of getting it in the particular categories, Mr. Koplin, was to be able to control; was it not?

Mr. KOPLIN. No, I wouldn't think so, Mr. Rogers. It was really in these early days an attempt to have a contestant do well. The public had taken contestants on the show itself to their hearts. They liked to see people win. We liked to see people win. Determining their background was an attempt to further this mutual desire.

Mr. ROGERS. But then you wanted to know what they knew and in which categories they were proficient for the purpose of controlling in one way or another. That is, you would ask them questions that in your mind you thought they may know the answer to?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. And if you wanted to knock them off the show, as was indicated should be done by some of the producers, all you had to do was to ask them a question in a category they didn't know anything about; wasn't it?

Mr. KOPLIN. We are misunderstanding each other, sir. Categories, to my mind, were categories as we used on the show.

One category would be baseball. Another category would be grand opera. Another category would be American history. So first of all

we are attempting to determine their ability to handle a particular category such as American history. That was the intent of the screening.

Mr. ROGERS. That is right. You knew if they were not proficient in American history the chances were that they could answer general or simple questions in American history.

Mr. KOPLIN. Yes.

Mr. ROGERS. You also knew if they were proficient in American history and not proficient in politics in order to knock them off the show all you had to do was to ask a question in politics or economics, or anything else.

Mr. KOPLIN. All of the questions were directed in their specific category. We didn't ask general questions.

Mr. ROGERS. You asked them in their specific category because you knew they were proficient in their category?

Mr. KOPLIN. That is right.

Mr. ROGERS. Did you ever knock anyone off the show?

Mr. KOPLIN. Knock anyone off?

Mr. ROGERS. Yes; by asking a question they were not expecting.

Mr. KOPLIN. Not to my knowledge, sir.

Mr. ROGERS. You did give the people on the show books and encyclopedias to study?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. Did you know which category they were going to choose when they came out there?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. The public didn't know that; did they?

Mr. KOPLIN. No, sir.

Mr. ROGERS. They were led to believe that those people didn't even know what categories would be put up there?

Mr. KOPLIN. No; I don't think so.

Mr. ROGERS. As one member of the public, let me say I was led to believe that. I didn't watch the show very much, but I was led to believe it.

Mr. KOPLIN. There were 12 categories posed. They had their choice of any category they wanted to take.

Mr. ROGERS. But there are millions of categories in the realm of general knowledge.

Mr. KOPLIN. Not on our program.

Mr. ROGERS. I know it was not on your program. In other words, you took 12 and these contestants knew what those 12 were going to be before they came out.

Mr. KOPLIN. Yes.

Mr. ROGERS. They knew which one they were going to take before they came out on the stage.

Mr. KOPLIN. Yes.

Mr. ROGERS. And you knew that, too; didn't you?

Mr. KOPLIN. Yes, we did.

Mr. ROGERS. The only risk you were running is that if they wanted to get off the "\$64,000 Question" they would ask for a category they didn't know much about, and that was not much of a risk. This bank business that you went through that you outlined to one of the committee members or counsel, this man that came up there with a sort

of blank look on his face and represented himself to be a banker, was he a banker? Was he a representative of the bank?

Mr. KOPLIN. Yes, he was.

Mr. ROGERS. Who paid him?

Mr. KOPLIN. The bank paid him.

Mr. ROGERS. Was he an employee of the bank?

Mr. KOPLIN. Yes, he was, sir.

Mr. ROGERS. And Entertainment Productions, Inc., never did pay him anything?

Mr. KOPLIN. No, sir.

Mr. ROGERS. Did they pay the bank anything for that service?

Mr. KOPLIN. No, sir.

Mr. ROGERS. Are you saying that they did not, or that you don't know whether they did or not?

Mr. KOPLIN. I don't know whether they did, sir.

Mr. ROGERS. You don't know for sure whether they paid the man or not?

Mr. KOPLIN. I know they did not pay the man.

Mr. ROGERS. You don't know whether they paid the bank or not?

Mr. KOPLIN. That is right.

Mr. ROGERS. What was this man's name?

Mr. KOPLIN. Ben Fite.

Mr. ROGERS. Was he the same one who came on every time?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. Did he know that these questions had not been held in the bank vault as was represented on the program?

Mr. KOPLIN. All questions that he handed to the master of ceremonies had been in the bank vault.

Mr. ROGERS. I know they had been in the bank vault, but he was leading the people to believe that they had been locked up in there and no one had access to them except some very trusted officer of the bank. That is what you intended to convey, was it not, Mr. Koplin?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. He knew that was not true, didn't he?

Mr. KOPLIN. No; he did not.

Mr. ROGERS. Was this bank that was being used Revlon's bank?

Mr. KOPLIN. I don't know.

Mr. ROGERS. Do you know whether Revlon paid anybody for that service?

Mr. KOPLIN. I don't know that.

Mr. ROGERS. Who made up these questions?

Mr. KOPLIN. I did, usually on the basis of material supplied to me by Dr. Evans.

Mr. ROGERS. Let me have that again.

Mr. KOPLIN. Dr. Bergen Evans.

Mr. ROGERS. Dr. Bergen Evans?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. Is he the one who has these shows on about the English language and things of that kind?

Mr. KOPLIN. Yes, he is.

Mr. ROGERS. He made these up. Did he put them in the bank vault or give them to you?

Mr. KOPLIN. He gave them to me.

Mr. ROGERS. You went over them and you represented to the public or it was represented on the show that these questions were made up by Dr. Bergen Evans and that they had been in the bank vault?

Mr. KOPLIN. No. I don't think so. The title card read, "Questions supervised by Bergen Evans."

Mr. ROGERS. Supervised?

Mr. KOPLIN. Supervised. Dr. Evans' function was to assemble a great body of material on any particular category. In addition, he would come into New York at frequent intervals and we would work together on the creation of a question. We would select the questions to be used on the show itself.

Mr. ROGERS. Who is "we"?

Mr. KOPLIN. I would have the first responsibility, and then Mr. Carlin, the executive producer, and at times Mr. Fleischmann, the president, would determine which of the questions.

Mr. ROGERS. Did Revlon ever have anybody represented in this meeting?

Mr. KOPLIN. No, sir.

Mr. ROGERS. It was necessary at times, was it not, for you to change a question? Did you not testify to that a minute ago?

Mr. KOPLIN. Occasionally.

Mr. ROGERS. Was Dr. Bergen Evans consulted when you did that?

Mr. KOPLIN. Usually.

Mr. ROGERS. And the questions then, were they given to the contestant before they went to the bank vault or after they were brought out of the bank vault and up to the show?

Mr. KOPLIN. I don't understand your question, Mr. Rogers.

Mr. ROGERS. The contestants got hold of the questions beforehand, didn't they?

Mr. KOPLIN. No, sir.

Mr. ROGERS. I thought you testified a minute ago that they did. That you went to Mr. Cugat's apartment and asked him certain questions.

Mr. KOPLIN. We have now shifted to the "Challenge" program, Mr. Rogers, where a different procedure was followed.

Mr. ROGERS. Let us go back to the "\$64,000 Question" program until we get through with that first. Have you testified that contestants on the "\$64,000 Question" did not at any time have the questions beforehand?

Mr. KOPLIN. That is right, sir.

Mr. ROGERS. But did you have a screening session with them in which you asked certain questions and those questions subsequently were asked on the "\$64,000 Question" program?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. You knew what the questions were and you conveyed them in that manner to the contestant?

Mr. KOPLIN. Sometimes I knew what the question was going to be before I screened the contestant. Sometimes afterward.

Mr. ROGERS. Sometimes afterward?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. Didn't you testify a minute ago that everyone that won as much as \$32,000 up to \$64,000 on that program had help?

Mr. KOPLIN. Had been at one time or another asked in part on any one performance a question or part of a question that later appeared on the show, yes, I did, sir.

Mr. ROGERS. Do you recall a woman who knew a lot about baseball?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. Do you recall what her name was?

(The witness consulted with his counsel.)

Mr. KOPLIN. Mr. Chairman, are we going to discuss specific contestants? If so, I wonder if I might discuss specific contestants in executive session.

The CHAIRMAN. You have been discussing specific contestants around here for the last hour.

What was the question, Mr. Rogers?

Mr. ROGERS. The question had to do with a woman who knew a lot about baseball and my question was whether or not he knew her name. I was referring to her, and I asked him to name her.

The CHAIRMAN. Can you name her?

Mr. PLOTKIN. Mr. Chairman, may I address the Chair?

The CHAIRMAN. Yes.

Mr. PLOTKIN. The problem, sir, that we have is that Mr. Koplin is perfectly willing—has no problem on the facts—and by and large the contestants he has been talking about with the committee are those whose names have already been revealed or who have testified. There are one or two others who have been mentioned. He is wondering if it is fair to contestants who have not appeared or who have not had an opportunity to appear to mention their names in public session.

We are perfectly willing to tell the facts about them. We would like to keep the contestants anonymous.

If the committee would like to know who the contestants are we would like to tell them in executive session for the protection of those contestants.

Mr. ROGERS. Mr. Chairman, I will not insist on naming the individual name. As far as I am concerned it can be made for the record in executive session.

The CHAIRMAN. How many such contestants have you had on baseball? Is that what you asked?

Mr. ROGERS. Yes.

The CHAIRMAN. How many contestants have you had on baseball?

Mr. KOPLIN. At this point I can think of only one that Mr. Rogers might be referring to.

The CHAIRMAN. I do not see why it should be so important for an executive session. We have had a lot of these executive sessions and there have been very few that I thought came within the category as provided by the House rules.

I might say this today, that today at noon, or this afternoon, the committee decided in executive session that we would make public the testimony of Mr. Jurist, who was a producer, Mr. Enright, who was a producer, Mr. Freedman, who is an associate producer, and all those whom we heard in executive session with the exception of one or two.

It seems to me if they have been shown on television to 40-odd million sets throughout the country, if that is true, I cannot see why there should be so much secrecy about it here.

Mr. KOPLIN. In answer to your question, we had an elderly lady on baseball named Myrt Power.

Mr. ROGERS. Where was she from?

Mr. KOPLIN. Buford, Ga.

Mr. ROGERS. Did she receive help of the kind indicated by you, Mr. Koplin?

Mr. KOPLIN. Could you be more specific to indicate the kind of help that you are referring to?

Mr. ROGERS. Did you screen her beforehand?

Mr. KOPLIN. Yes; I did.

Mr. ROGERS. Did you ask her questions and give indications as to what might be answered on the program, or give indications about information that subsequently she was asked questions about on the program?

Mr. KOPLIN. I think primarily she was asked questions on inferential materials. It very well may be that there were one or several questions that were asked previously.

Mr. ROGERS. But, as you stated, there was not anyone who went to \$64,000 or even to \$32,000 who did not have some kind of screening beforehand as to what they were going to be asked on the program?

Mr. KOPLIN. That is correct, sir.

Mr. ROGERS. Did the bank that had this fellow there to deliver the questions out of the vault receive pay from anybody for the free advertising—I do not mean—for the advertising they got on this show?

Mr. KOPLIN. I don't know, sir.

Mr. ROGERS. You do not know of any agreement or contract between any of the sponsors, producers, or the EPI with the bank for payment for the advertising?

Mr. KOPLIN. No, sir. These would not be within my realm.

Mr. ROGERS. That was on another level, was it not, Mr. Koplin?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. Mr. Koplin, there is one thing that has been of interest to me. How did you know how much to make these checks for that were displayed while the show was going on or before the show, whenever they were made out?

Mr. KOPLIN. That was an interesting production problem, Mr. Rogers.

Mr. ROGERS. That appeared that way to me.

Mr. KOPLIN. On the "\$64,000 Question," it was comparatively simple. We would have two checks prepared. If a contestant answered, let us say, his \$16,000 question, he only had two options at that point. He could try for \$32,000. If he missed he got a Cadillac so there was no check.

The other option was to quit. If he quit then there could only be the check for \$16,000.

Mr. ROGERS. Were those dummy checks always?

Mr. KOPLIN. No; there was a real check present which we showed on camera A. This was mounted on a cardboard and set in front of one of the cameras. That was the reason we could not use that check to hand to the contestant. It had to be mounted for display.

After the show was over we took it off the display and gave it to the contestant getting in return his dummy check for that.

Mr. ROGERS. What about the "Challenge"?

Mr. KOPLIN. On the "Challenge," there were a lot of variables on the "Challenge." They could either—let us use \$16,000 again—one person would win and the other miss, in which case we needed a check for \$16,000 and one for consolation prize. They could both miss, in which case they split the money at a previous level, say, eight. So we also had two checks for \$4,000. Or they could both win in which case there were no checks at all. So we had four checks made up for each match. They were all mounted. They rehearsed every possibility so that the cameraman would know which check to shoot.

Mr. ROGERS. Were they negotiable instruments or dummy checks.

Mr. KOPLIN. No; they were negotiable instruments.

Mr. ROGERS. The ones you showed the public were negotiable instruments in every case?

Mr. KOPLIN. Yes, sir.

Mr. ROGERS. How did you make those up? You made them up beforehand. You had four or eight of each kind, whichever was needed. All you had to do was pull it out and use it.

Mr. KOPLIN. Yes.

Mr. ROGERS. And you had your consolation prize. All you had was one check like that?

Mr. KOPLIN. Yes, sir; in every case there was a consolation prize for \$1,000.

On some shows we had as many as 12 or 14 checks that had to be made up. And they all were. They all were mounted and specified.

The stage manager would then cue a cameraman to shoot whichever the appropriate check was.

Mr. ROGERS. Mr. Koplin, have you ever at any time been approached on this subject by a representative of the Federal Communications Commission?

Mr. KOPLIN. No, sir.

Mr. ROGERS. Have you at any time been approached by a representative of the Federal Trade Commission on this matter?

Mr. KOPLIN. No, sir.

Mr. ROGERS. Have you ever been approached by a representative of either of those agencies with regard to any quiz shows of any nature whatsoever?

Mr. KOPLIN. No, sir.

Mr. ROGERS. Have you ever been approached by representatives of those agencies on any subject whatsoever?

Mr. KOPLIN. No, sir.

Mr. ROGERS. Either before or after publicity was given all over this country to the fact that there might be something wrong with these shows and there might be a fraud being committed on the public?

Mr. KOPLIN. No, sir.

Mr. ROGERS. You never have talked to any of their representatives?

Mr. KOPLIN. No, sir.

Mr. ROGERS. I think that is all, Mr. Chairman.

The CHAIRMAN. Mr. Derounian.

Mr. DEROUNIAN. Mr. Koplin, in order to clarify how you operated, would you list and describe the various methods of control that you had used, with names and explanations, briefly?

Mr. KOPLIN. Yes, sir. The primary area was—the description "playback" has been given to it. This consisted of drawing out a con-

testant on his knowledge of a particular area. They would come in and either want to demonstrate their knowledge or be elated at having an opportunity of displaying their knowledge and they would talk at some length about what they liked, what they had studied, why they were interested in it, the books they had read, the trips they had taken to further this study.

In short, they gave us a complete outline of their particular area of knowledge.

Additionally we asked a number of questions of them in order to stimulate this kind of conversation. I tried to make this as conversational as possible, not a question and answer routine, so I would know how intensive and extensive this knowledge would be.

Additionally there was an area kind of control in which we might ask, do you know about islands, or do you know about symphonies, or do you know about Presidents? We would get an answer that would lead to further discussion of what they knew.

From these three things we could then evolve either inferential questions which Mr. Goodwin has described, if someone had recited the list of Presidents to us, we knew we could ask about a specific President, or specific question. If they had mentioned a fact in passing, we could construct the framework around that one fact and make an imposing question upon it.

In addition there was the emergency or hysterical situation similar to that described by Mr. Cugat where we had a problem, where we had a pressure of time or inability to communicate, or nervous condition of the contestant, or some other untoward situation that made an incident out of it.

Also, parts of a question perhaps from which we could then get a clearer picture of what the rest of the question might be answered from.

Mr. DEROUNIAN. Then did you have a test and retest method?

Mr. KOPLIN. Test and retests where we asked a specific question and got a specific answer. We either then asked that particular question or wrote in an inferential question.

Mr. DEROUNIAN. You testified previously this afternoon that all contestants who won \$32,000 or over had been prepared previously.

Mr. KOPLIN. They had at sometime received a question or part of a question that we had specific knowledge they had.

Mr. DEROUNIAN. That applied to Nadler, did it not, because he won some \$264,000?

Mr. KOPLIN. Yes.

Mr. DEROUNIAN. Did Nadler ever refuse to be questioned in a category that you wanted him to be questioned in?

Mr. KOPLIN. Yes, he did.

Mr. DEROUNIAN. In what categories were they?

Mr. KOPLIN. We had approached a match on Abraham Lincoln. We had gotten a very good challenger to go up against him. We thought it would make a good match. I knew that Mr. Nadler knew a great deal about the Civil War and assumed that he would be able to handle the category of Abraham Lincoln.

However, he didn't feel that and did not want it.

Mr. DEROUNIAN. Was there another category that he refused to participate in; opera?

Mr. KOPLIN. Yes, also opera.

Mr. DEROUNIAN. So that in effect he vetoed the questions and dictated his own choice as to what he would answer?

Mr. KOPLIN. We never made a claim that Mr. Nadler knew everything. He knew specific categories. We never attempted to have anyone attempt to answer questions on any category in which they did not have the fullest confidence.

Mr. DEROUNIAN. So that in effect you used the playback method on him?

Mr. KOPLIN. The playback primarily.

Mr. DEROUNIAN. And after you talked to him you wrote the questions; is that not so? You wrote out the questions you would ask or you would have questions prepared based on what you had talked to him about?

Mr. KOPLIN. Sometimes. Sometimes the questions had already been prepared in the category.

Mr. DEROUNIAN. Looking at that fairly and squarely would you say that Nadler got help from you?

Mr. KOPLIN. I honestly don't know how to answer that question.

Mr. DEROUNIAN. You were going to ask him questions about Abraham Lincoln and he said "No." You were going to ask him questions about opera. He said "No." Is that not giving him help?

Mr. KOPLIN. No, sir. The fundamental principle of our show was that each person appeared in a category of their choice. We did not ask general questions. There was no general mystery to any one on the show and this was evident to the audience as well as the contestant that they were specifically on a single area at a time of knowledge.

A man could not be asked a question on history at one level, then a question on opera at another level. We did not use that.

These are other shows which does not happen to be our procedure.

Mr. DEROUNIAN. All I can say, Mr. Koplin, that is not like an examination one gets in any school. It is stacked in advance in favor of whomever you want to favor.

Do you know a Joyce Brothers?

Mr. KOPLIN. Yes, sir.

Mr. DEROUNIAN. When she appeared before you what kind of expert was she supposed to be?

Mr. KOPLIN. I described her as a synthetic expert when I testified before the grand jury.

Mr. DEROUNIAN. What category was she supposed to be proficient in when she came to you first?

Mr. KOPLIN. When she came to us first she was proficient in home economics and psychology.

Mr. DEROUNIAN. Did you ask her questions on those subjects on the shows?

Mr. KOPLIN. No, sir.

Mr. DEROUNIAN. What subjects did you ask her?

Mr. KOPLIN. Boxing.

Mr. DEROUNIAN. How did she become an expert in boxing from the time she first saw you until she appeared on the program?

Mr. KOPLIN. She literally absorbed the contents of encyclopedias on boxing.

Mr. DEROUNIAN. You told her to go home and study boxing; is that correct?

Mr. KOPLIN. No.

I suggested to her that it was not in keeping with our policy of paradoxes on the show. Someone who would not normally be expected to know something about a subject, that a young girl know about home economics.

This was no great audience stimulator. It would be better if there were some ultra or extreme category like wrestling or boxing perhaps. She took me at my word. She went home and studied boxing. She had a previous interest in a casual way in it. Her husband is a fight fan.

She had a remarkable ability to apply herself day and night to a particular subject. When it was reported back to me some weeks later that she now was qualified for boxing, I entertained this with extreme skepticism and brushed it off.

Several weeks after that it was brought to my attention again. So I asked to have her come in and she did. I picked questions at random out of the encyclopedia of boxing, and to my complete surprise she was able to answer them.

Mr. DEROUNIAN. Did you get any outside help from experts in the boxing field in framing questions for Mrs. Brothers?

Mr. KOPLIN. On the "Question" show on several occasions I referred to the historian of boxing, Mr. Nat Fleisher for consultation and checking several points on the question. Never the complete question, but things that were not clear to me from examination of the ring books. He obliged by looking up this information for me.

Mr. DEROUNIAN. Did you know at that time that Nat Fleisher was a friend of Mrs. Brothers' father?

Mr. KOPLIN. No; I did not, sir.

Mr. DEROUNIAN. Have you found out since?

Mr. KOPLIN. I have so been informed.

Mr. DEROUNIAN. Did you handle Mrs. Brothers, conversationally, the same way you did Xavier Cugat?

Mr. KOPLIN. No, sir.

After I had satisfied myself that this girl had accomplished this unbelievable feat, I was satisfied to ask questions all over the lot.

Mr. DEROUNIAN. Did Mr. Fleisher give you the questions or some questions that eventually were asked Mrs. Brothers on the show?

Mr. KOPLIN. No, sir; he did not.

Mr. DEROUNIAN. None?

Mr. KOPLIN. None.

Mr. DEROUNIAN. What method did you use on Jockey Pearson?

Mr. KOPLIN. Primarily play-back with Mr. Pearson.

Mr. DEROUNIAN. What category was he made proficient in?

Mr. KOPLIN. He was extremely knowledgeable on art.

Mr. DEROUNIAN. So you asked him questions on art?

Mr. KOPLIN. Of course.

Mr. DEROUNIAN. Was the method of control being used with a particular contestant ever discussed in the weekly meetings in the presence of the sponsor.

Mr. KOPLIN. No, sir.

Mr. DEROUNIAN. Never?

Mr. KOPLIN. Never.

Mr. DEROUNIAN. So that the sponsor never knew the method you used on any contestant?

Mr. KOPLIN. That is correct.

Mr. DEROUNIAN. He knew generally that there was some method of control?

Mr. KOPLIN. Yes, sir.

Mr. DEROUNIAN. In view of what has happened, Mr. Koplin, do you agree that businessmen and advertising and TV executives must clean up their own houses or the public will demand Government action?

Mr. KOPLIN. I agree with that heartily, sir.

Mr. DEROUNIAN. Or that businessmen who utilize television for their advertising must adopt a hands-off entertainment code?

Mr. KOPLIN. I could not wish for that more fervently.

Mr. DEROUNIAN. In other words, do you agree with Mr. Philip Courtney, president of Coty, Inc., who has had advertisements to this effect in the newspaper for the last week or so?

Mr. KOPLIN. I would think I am in general agreement with him, sir.

Mr. DEROUNIAN. Do you think it is detestable that very young children have been fixed on these quiz shows?

Mr. KOPLIN. If a child were fixed, it was detestable.

Mr. DEROUNIAN. Do you know whether that was done on the "\$64,000 Question" or "Challenge"?

Mr. KOPLIN. Not to my knowledge, sir.

Mr. DEROUNIAN. During the time you were there or thereafter?

Mr. KOPLIN. I have no knowledge of any fix of any child.

Mr. DEROUNIAN. Do you know Miss Bernstein?

Mr. KOPLIN. Yes, I do, sir.

Mr. DEROUNIAN. Do you know whether she ever fixed any children in advance of the quiz shows?

Mr. KOPLIN. Not to my knowledge; certainly not in discussion of it.

Mr. DEROUNIAN. You did not consider the spelling words you gave those children as a partial fix or help or aid?

Mr. KOPLIN. No, sir; I did not.

Mr. DEROUNIAN. I have no further questions.

The CHAIRMAN. Mr. Flynt.

Mr. FLYNT. No questions.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. No questions.

The CHAIRMAN. Mr. Moss, you may proceed.

Mr. Moss. Mr. Koplin, you related the weekly meetings with the sponsor being present, representatives of the producer and of the agency? What part did the agency representatives play in the discussions which occurred weekly regarding the program?

Mr. KOPLIN. Various things at various times. I think usually they were pretty much agreeing with the view of the sponsor, whatever that might have been.

Mr. Moss. Would you classify them as reinforcement for the sponsor?

Mr. KOPLIN. Yes, I would think so.

Mr. Moss. You have also stated that the sponsor could show his irritation?

Mr. KOPLIN. Yes, sir.

Mr. MOSS. Did the sponsor ever make any threats?

Mr. KOPLIN. Not to me, sir, no.

Mr. MOSS. Were you present at these meetings?

Mr. KOPLIN. Yes, sir; I was.

Mr. MOSS. Did he ever make any threats? Remember, I did not ask if he made them to you.

Mr. KOPLIN. What would you consider a threat?

Mr. MOSS. Did he ever threaten to get anyone's job?

Mr. KOPLIN. No, sir.

Mr. MOSS. Not at all?

Mr. KOPLIN. No. There was no discussion of that kind.

Mr. MOSS. What would you call a threat?

Mr. KOPLIN. Well, I did not know. In this atmosphere—

Mr. MOSS. Within your own definition of a threat, was he ever threatening?

Mr. KOPLIN. No, sir.

Mr. MOSS. He was not?

Mr. KOPLIN. No, sir.

Mr. MOSS. Firm but cordial at all times?

Mr. KOPLIN. Well, I don't know about the cordial part. He was very firm.

Mr. MOSS. He was not cordial?

Mr. KOPLIN. No, sir.

Mr. MOSS. Was he unpleasant?

Mr. KOPLIN. Quite a good deal of the time; yes, sir.

Mr. MOSS. Was he ever insistent upon a policy which was contrary to your own views?

Mr. KOPLIN. Yes, sir.

Mr. MOSS. Did he play any part in the selection of any of the personnel employed on the program or by the agency?

Mr. KOPLIN. No, sir; I don't believe so.

Mr. MOSS. Did he select the master of ceremonies?

Mr. KOPLIN. Yes. We had many discussions concerning masters of ceremonies with him. There were a number of occasions when we were replacing the master of ceremonies on the "Challenge" program, for instance.

We spent interminable hours discussing many, many people. Similarly, during Hal March's replacement one summer, we had many conversations regarding masters of ceremonies with him.

Mr. MOSS. Was he insistent upon the right of determining who the master of ceremonies would be?

Mr. KOPLIN. Yes. It was pretty much a subject of his approval.

Mr. MOSS. Is this the ordinary practice in relationship between a producing organization and its sponsor?

Mr. KOPLIN. I don't know about that.

Mr. MOSS. To the best of your knowledge?

Mr. KOPLIN. This is an area, in all fairness, where an MC is an image of the sponsor? I would tend to think he should have approval of it. I have never previously engaged in discussion of it at this length.

Mr. MOSS. What control did the sponsor exercise—I think you indicated that he protested there had been too many winners?

Mr. KOPLIN. Well, he wanted more losers.

Mr. MOSS. Did he get more losers?

Mr. KOPLIN. We tried to put on some weaker contestants so that they would drop out more readily; yes.

Mr. MOSS. You suggested it?

Mr. KOPLIN. Yes.

Mr. MOSS. What were the arrangements for financing the program for winnings?

Mr. KOPLIN. There was a separate price budget account.

Mr. MOSS. What was the price budget?

Mr. KOPLIN. I believe it was something like \$15,000 per week.

Mr. MOSS. Per week?

Mr. KOPLIN. Yes, sir.

Mr. MOSS. Was there any contingent fund or reserve for exceeding this?

Mr. KOPLIN. Yes. There was an emergency fund on which we could draw. I am not fully conversant with these particular areas.

Mr. MOSS. Were these items which were discussed at some length in these weekly meetings?

Mr. KOPLIN. No. Sometimes they were.

Budget was never a problem. We never were tight on the money budget at all. I would say that wanting more losers was completely a dramatic effect.

As a matter of fact, we had an accounting each year and each year we turned back a considerable amount of money that had not been utilized.

Mr. MOSS. Then the concern was with the dramatic concern or the audience appeal?

Mr. KOPLIN. Yes, sir.

Mr. MOSS. Of the contestants, and of the current format, whether there were a number of winners or a number of losers?

Mr. KOPLIN. Yes, sir. Whether we should change the format. Whether we should introduce new elements into the show, or change the set or change the MC.

Mr. MOSS. Did you ever discuss whether the air conditioning should be on in the booths? What was it in this instance?

Mr. KOPLIN. Our air conditioners were always on.

Mr. MOSS. Yours were always on?

Mr. KOPLIN. Yes, sir.

Mr. MOSS. Were the booths soundproof?

Mr. KOPLIN. Comparatively so because they had to be portable. They were not as soundproof as a studio room would be, which is suspended from the ceiling.

Mr. MOSS. Were they sufficiently so that the average contestant would not be able to overhear?

Mr. KOPLIN. Yes.

On the "Question" show, for example, they were some 40 feet from the audience so that only a shout perhaps could get through.

You refer to the air conditioning, which has been a point of discussion here. Might I comment?

None of our contestants were coached for dramatic effect.

Mr. MOSS. Were they given any advice as to any mannerisms which might be helpful in heightening dramatic effect?

Mr. KOPLIN. Not at all.

On the contrary, I kept urging them to act completely natural. Some of them would come in with definite mannerisms they had acquired by watching other shows and our problem was to eliminate this. At all times the approach and appeal to them was to be completely natural. Don't ham it up. Be yourself. You know, just be you, which is what we were after; a completely natural performance.

Mr. Moss. Did you have any associates who also participated in this screening of contestants?

Mr. KOPLIN. We had a whole staff who would screen people previous to the time that I saw them. We weeded out.

Mr. Moss. I used the term "contestant." I did not use the term "prospective contestant."

Mr. KOPLIN. I see. I am sorry.

No, at the time I would produce a show no one else would screen a contestant.

Mr. Moss. Was Miss Bernstein on the program with you?

Mr. KOPLIN. No, sir.

Mr. Moss. Or with the other show?

Mr. KOPLIN. There was a short period of time after the "Big Surprise" went off that she came over to the "Challenge" show, and then I left it. There was a week or two overlap. We didn't work together on that show, really.

Mr. Moss. On the testimony of Mr. Cugat, he indicated that he had received substantial assistance from you, and that the material discussed him in his apartment subsequently developed as the question material on the program.

Was that also true of his opponent?

Mr. KOPLIN. Yes, sir; I would say as much as was possible.

Mr. Moss. Was it equally true of his opponent?

Mr. KOPLIN. No, it was not equally true because I didn't have the opportunity.

One of the basic problems with that match was that Mr. Cugat's opponent was on a tour of summer theater. I had no opportunity to speak to her during the week previous to the show. She would come in the day of the show or that evening of the show off a plane or a train, and was always breathless and high strung, which did not make for the most effective kind of contestant.

Mr. Moss. Did you have any discussions with her then upon her arrival as to the material which might be used on the show?

Mr. KOPLIN. Well, briefly. What I was trying to do was to develop for following weeks some kind of material that I could center her questions into.

Mr. Moss. Did you finally determine that it would be best to have her go off the show or terminate the match?

Mr. KOPLIN. The whole match was an untenable situation. It was one of those horrible things which should not have been, which I didn't want to continue. It just was not a match that was possible.

Mr. Moss. Then a decision was made to terminate; is that true?

Mr. KOPLIN. Yes.

Mr. Moss. In making that decision, there had to be a choice as to whether they would tie. If they tied they would continue?

Mr. KOPLIN. Yes.

Mr. Moss. So one of them had to lose?

Mr. KOPLIN. That is right.

Mr. Moss. Was there a decision made as to which one would lose?

Mr. KOPLIN. The decision was to favor the one with the greatest area of knowledge, and to my mind at that point Mr. Cugat had the greatest background into which to write material.

Mr. Moss. In this case you were successful in exercising control to remove one contestant and terminate an undesirable match?

Mr. KOPLIN. Yes, sir.

Mr. Moss. That is all of the questions I have, Mr. Chairman.

The CHAIRMAN. Mr. Goodwin.

It seems the man has been relieved of all the knowledge he had about this.

Mr. GOODWIN. I wanted to ask one question.

Was it ever decided that Dr. Brothers should be eliminated from the program, "The \$64,000 Question"?

Mr. KOPLIN. After Mrs. Brothers had been on the show for several weeks, a subject of discussion at the sponsor's meeting was the fact that she did not seem credible, that this blond slip of a girl would have this much knowledge about the manly art.

The consensus of opinion was that if she had really a superficial knowledge, she should not become a champion. For the next several weeks we wrote as searching questions as I was able to devise to test her to the utmost limits of her knowledge. To my surprise she had no problem with them.

Mr. Moss. It is fair to say then that you tried to get Mrs. Brothers to miss and you failed?

Mr. KOPLIN. That is a correct statement.

Mr. Moss. There has been a lot of talk now about areas of knowledge, I just wanted to reiterate one point.

First, the controls we are talking about were controls which were general on the three shows with which you were connected; is that right?

Mr. KOPLIN. Yes, sir.

Mr. Moss. And it is true that in at least one performance of 60 to 70 percent of all contestants, you found out in advance that that contestant knew the specific fact which you were about to ask for on the program; is that correct?

Mr. KOPLIN. Yes, sir.

Mr. Moss. There is only one question, and that is in regard to the spelling contest which has become an object of interest. You gave the young children an extensive spelling test of 600 to 700 words, I believe you said, prior to their first appearance on the program; is that right?

Mr. KOPLIN. That is correct.

Mr. Moss. All of the words asked were later drawn from the words they spelled successfully on that test?

Mr. KOPLIN. Yes, sir.

Mr. Moss. To your knowledge, there were no screenings of these children after this first test during their appearances, were there?

Mr. KOPLIN. No, sir.

Mr. Moss. To your knowledge, the children were not aware or were they aware that the questions being asked them were the ones drawn from the words they had spelled successfully?

Mr. KOPLIN. To the best of my knowledge, they were not aware of this.

Mr. BENNETT. They would have to have been stupid not to know they were getting the same words to spell that you had asked them in the screening session, would they not?

Mr. KOPLIN. It was an extended period of spelling, sir.

Mr. GOODWIN. On the "\$64,000 Challenge," was Nat Fleisher used to prepare most of the questions you used?

Mr. KOPLIN. I only handled two boxing matches which ended unfortunately very abruptly. One match ended with the first question asked, and the other match ended with the third question asked. In neither case did I utilize Mr. Fleisher.

Mr. GOODWIN. Were you aware that Mr. Fleisher was at any time utilized in the preparation of questions that were given to Dr. Brothers?

Mr. KOPLIN. Yes. In her match against the seven doctors credit was given to the Ring Book and Ring Magazine for cooperation and preparation of some three or four of the questions.

Mr. GOODWIN. Mr. Nat Fleisher is the leading expert of boxing, is he not, and the author of the Ring Book?

Mr. KOPLIN. Yes, he is.

Mr. GOODWIN. Were you aware, if it is a fact, that Mr. Fleisher was helping to prepare Joyce Brothers in boxing for her appearances on these programs?

Mr. KOPLIN. No, sir, I was not aware of this.

Mr. GOODWIN. I think as far as the control is concerned, let me repeat, because this is an important point you made earlier, it is to your knowledge and participation in these weekly meetings the sponsor was aware of the fact that you controlled the program and participated in decisions as to which direction this control should be exercised, is that correct?

Mr. KOPLIN. Yes, sir.

Mr. GOODWIN. Maybe to end my interrogation, you once had a woman, did you not, who was supposed to be an expert on monuments. Maybe you would care to recount that particular incident?

Mr. KOPLIN. I have stated without trying to draw examples that our control was not perfect. We have often wanted a contestant to do well.

The incident you relate is of a completely fascinating little old lady of some 80 years who had spent her life conducting guided tours, who seemed to know everything about cities of Europe and other places around the world, who loved London with a special fervor and who spoke knowledgeably of the monuments and squares of London.

As one part of her \$8,000 question, we asked a question that required that she identify Trafalgar Square and, to our extreme shock and surprise, she was unable to. So, she missed.

This happened many times. People that we expected to miss would win. People we expected to win would miss.

Mr. GOODWIN. Mr. Koplin, you have testified that you had no knowledge that Joyce Brothers had worked with Nat Fleisher. I know your testimony here has been very lengthy as was your testimony before the grand jury very lengthy.

I wondered if showing you some of this testimony might refresh your recollection on that point [handing document to the witness].

Mr. Koplin, did you have any knowledge that Dr. Brothers was using Nat Fleisher as one of her sources of information in order to become an expert on boxing?

Mr. KOPLIN. Not at the time she appeared on the program.

Mr. GOODWIN. This testimony relates prior to the program, then?

Mr. KOPLIN. Yes, sir.

The CHAIRMAN. Using what?

Mr. GOODWIN. Using Nat Fleisher, the ring expert, as a source of information on boxing when she was becoming an expert in that field.

Your testimony before the grand jury relates to the time prior to her appearance on the program?

Mr. KOPLIN. It evidently relates to, to my knowledge, after she was off the program. Certainly if I had known that she referred to Mr. Fleisher or any other authority, I would not have consulted with him in the preparation of her questions.

Mr. GOODWIN. Your testimony relates to the time prior to that of when the questions had been prepared?

(The witness consults with his counsel.)

Mr. GOODWIN. Testimony before the grand jury?

Mr. KOPLIN. I do not know. I can say now that if I had known prior to the time she was a contestant that she had conferred with Mr. Fleisher, I would not have used him as an expert. So I can only assume that I did not know this prior.

Mr. GOODWIN. I have no further questions, Mr. Chairman, except to request that the Time magazine article of April 27, 1957, which I read to the witness, be placed in the record.

The CHAIRMAN. Mr. Bennett?

Mr. BENNETT. I have just one other question.

Did the Revlon people give you the impression that they did not care what means you used as long as you kept the contestants they wanted on the program or took off the contestants they did not want on the program?

Mr. KOPLIN. That was the impression I had of it, sir.

The CHAIRMAN. Mr. Koplin, you have been on the witness stand a good long while. I think most anything you could impart to this committee has been asked of you except one particular thing I can think of that I want to know something about.

Mr. KOPLIN. If I may be of any assistance, certainly.

The CHAIRMAN. Did you have anything to do with the actual showing itself? Who was going to MC and the employees that brought the contestants in and all of that?

Mr. KOPLIN. No, sir.

The CHAIRMAN. Was that any of your problem at all?

Mr. KOPLIN. No, sir.

The CHAIRMAN. Who was the MC in the employ of?

Mr. KOPLIN. He was in the employ of Entertainment Productions, as the producers of the show.

The CHAIRMAN. I understand that you said you were the producer.

Mr. KOPLIN. Well, there is a producer. There is an executive producer.

The CHAIRMAN. We are trying to get to him, too.

Mr. KOPLIN. There is the head of the company. In matters of large policy or hiring or firing of this important ingredient of the show, of course I had a voice. I could indicate.

The CHAIRMAN. Who in the producing phase of this thing gave the information to the MC?

Mr. KOPLIN. Gave which information to the MC, sir?

The CHAIRMAN. I started to say any information. But I will put it to questions and answers.

Mr. KOPLIN. That depended—primarily he got the information off the cards that were handed to him. If there was a question that required interpretation or that there might be a nonexact answer on—

The CHAIRMAN. I hope I do not get the wrong impression here, that you are skirting my questions. You have been such a fine and cooperative witness, generally speaking, all the afternoon. Is the MC a part of the producing end of the show?

Mr. KOPLIN. Yes, sir; as an employee of the producers he is; yes.

The CHAIRMAN. As an employee of the producer?

Mr. KOPLIN. Right.

The CHAIRMAN. Was he in on these conferences about a particular show?

Mr. KOPLIN. Oh, no, not at all, sir.

The CHAIRMAN. When did he find out something about what kind of show he was going to MC?

Mr. KOPLIN. I do not think—if you are speaking of the control techniques, he was never a party to this.

The CHAIRMAN. He had to be given the information that he was going to use on the show sometime, did he not?

Mr. KOPLIN. The only information he had to use on the show was that on the question card with the answers in back of it. That was given to him.

The CHAIRMAN. He did not even know who the contestants were going to be until they brought them in?

Mr. KOPLIN. That is right.

The CHAIRMAN. And the name then was handed to him?

Mr. KOPLIN. Pretty much so. On the "Question" show, the MC did not want to meet the contestant previous to the show. On the "Challenge," the MC's liked to get acquainted with them so that the interview might go a little more smoothly. But that was their first knowledge of the contestant.

The CHAIRMAN. So far as you know, the MC had no information about the various methods used, which have been explained here, and which were explained by other producers that we have had heretofore—the MC just could not know anything about it?

Mr. KOPLIN. That is right.

The CHAIRMAN. We have had a bit of criticism in the past. We have had people raise questions about the advisability of this investigation, stating that they were sure nothing wrong was going on, and so forth.

Now, these revelations during yesterday and today and the ones that we had when we were here before, I think should probably open the eyes of a lot of people.

Mr. KOPLIN. I don't think anyone has a quarrel with the intentions of the committee, sir.

The CHAIRMAN. Oh, you do not? You ought to read one or two of these wires I have here.

Did you know Mr. Ralph Story?

Mr. KOPLIN. Yes, sir.

The CHAIRMAN. Did you know him very well?

Mr. KOPLIN. Fairly well, sir.

The CHAIRMAN. He was the emcee of this show.

Mr. KOPLIN. Yes, sir.

The CHAIRMAN. During the whole time you were producing?

Mr. KOPLIN. He overlapped. Sonny Fox was for a portion of the time and then Ralph Story came on and then I left.

The CHAIRMAN. I assume that Mr. Story is a very fine gentleman. I never met him.

Mr. KOPLIN. Yes, I would think he is.

The CHAIRMAN. But he has severely criticized this investigation. I guess you knew that, did you not?

Mr. KOPLIN. No. As a matter of fact, I didn't know Mr. Story had.

The CHAIRMAN. Here is a syndicated column in which he made the statement in his criticism and said that the probers, that is what he calls them, should summon what he calls "defense" witnesses.

I do not know whether he would be a defense witness or not. But in his denial of any fixing, he made this statement, and it is a quote:

This may sound ridiculous in view of all the publicity but I do not believe that "Challenge" or "\$64,000 Question" were fixed in any way. I think it would be impossible to emcee a show for 2½ years and not know what is going on.

I wonder if it is entirely possible. If he says it is impossible for him to emcee a show for 2½ years and not know what is going on, then without any further information about it, he must have found out something about this or knew something about what was going on.

Mr. KOPLIN. To the best of my knowledge, sir, and the knowledge of Mr. Story, he was not conversant with any details of the show other than emceeing it on the air.

The CHAIRMAN. You had nothing to do with the hiring of Mr. Story, did you?

Mr. KOPLIN. No, sir.

The CHAIRMAN. Do you know who did?

Mr. KOPLIN. Not specifically. There was general agreement, after seeing a number of people do run-throughs in the studio of a simulated show, that he was the most apt of the potential emcees and he was therefore hired.

The CHAIRMAN. I think he obviously was a very good man for the job. I agree with what he said here, in my own view. I do not see how anyone could emcee one of these shows with contestants for a long period of time without getting a little inkling of what was going on. But that was the one thing, not been brought out here, that I wanted you, as producer of the show, to give us some information about.

I imagine since what you have said, using the four methods outlined by you here, how you have planned and devised a way of rigging and fixing these shows portrayed to the American people as honest contests, I am sure a lot of people like Mr. Story would change their opinion.

On behalf of the committee, I want to thank you for your appearance and your testimony here and, unless you have something else you would like to impart, you may be excused.

Mr. KOPLIN. No, sir.

Thank you.

The CHAIRMAN. Mr. Steven Carlin.

**TESTIMONY OF STEVEN CARLIN, NEW YORK, N.Y.; ACCOMPANIED
BY HARRY M. PLOTKIN, COUNSEL**

The CHAIRMAN. Will you be sworn, Mr. Carlin? Do you solemnly swear the testimony you give to this committee to be the truth, the whole truth and nothing but the truth so help you God?

Mr. CARLIN. I do.

The CHAIRMAN. Have a seat.

Will you please state your name for the record?

Mr. CARLIN. My name is Steven Carlin.

The CHAIRMAN. Your address?

Mr. CARLIN. I live in New York City, 1120 Park.

The CHAIRMAN. Your profession and occupation?

Mr. CARLIN. I am a television producer.

The CHAIRMAN. Mr. Lishman?

Mr. LISHMAN. Yes, sir.

Mr. Carlin, what position do you hold with Entertainment Productions, Inc.?

The CHAIRMAN. Before you start, let the record also show that Mr. Carlin is accompanied by counsel, who is here to advise Mr. Carlin of his constitutional rights under the rules of the House of Representatives.

Would you care to identify yourself?

Mr. PLOTKIN. I am Harry M. Plotkin of Washington, D.C., sir.

The CHAIRMAN. Thank you.

(Question read by the reporter.)

Mr. CARLIN. Executive producer.

Mr. LISHMAN. How long have you held that position?

Mr. CARLIN. I started with Entertainment Productions in the fall of 1954 and continued with them to February 28, 1959.

Mr. LISHMAN. Were you the executive producer of the "\$64,000 Question" and the "\$64,000 Challenge"?

Mr. CARLIN. Yes, sir.

Mr. LISHMAN. Just going back to the questions, were you here when questions were being asked of Mr. Koplin?

Mr. CARLIN. I was.

Mr. LISHMAN. Did you just hear the questions that the chairman of the subcommittee asked Mr. Koplin respecting the emcee?

Mr. CARLIN. Yes, I did.

Mr. LISHMAN. Do you recall that the sponsor, and the sponsor in this case was Revlon, had some degree of control as to who the emcee on any show should be?

Mr. CARLIN. It is normal practice for a sponsor to have emcee approval. This is part of the normal contract. This means that it would be up to the producer to suggest a number of emcees and finally

suggest the one that the producer wants and then the sponsor can say "Yes" or "No."

Mr. LISHMAN. Do you remember whether or not it was Revlon that suggested Mr. Story as the emcee for this program?

Mr. CARLIN. Actually, Mr. Lishman, the story with Ralph Story goes back quite a bit. I had seen him on a summer replacement show over one of the networks, some short-lived show. He was a completely new face to me. I had seen him perhaps 2 years before or a year before the "Question" show was on the air. He impressed me very much.

We first wanted him for the "Question" show. So, in going through a list of people as potential candidates for the show, we called Mr. Story in California. He had a radio program in California. But his contract did not permit him to leave California to come to New York. Thus he never even had the opportunity to try out for the "Question" show.

Then about 2 years went by, I guess, or a year and a half, when we were now seeking a replacement for the master of ceremonies we had on the "Challenge" and we reminded ourselves of the time we tried to get Mr. Story for the "Question."

We called him again. It seemed that his contract was running out. He was now free.

So he came to New York and tried out.

Mr. LISHMAN. Whom did he try out before?

Mr. CARLIN. I beg your pardon?

Mr. LISHMAN. Who attended this try-out?

Mr. CARLIN. I am terribly sorry. I don't quite understand.

Mr. LISHMAN. He was tried out. You already said that the approval of the sponsor had to be obtained for the emcee, is that correct?

Mr. CARLIN. Yes. What we did was submit a list of possible emcees to the sponsor and the sponsor would say, "We think this is a possibility; this is a possibility; this is a possibility." Therefore, Mr. Story as a possibility, subject to a runthrough, subject to a simulated run in a studio."

So we invited Mr. Story to come to New York and we did a simulated run and the sponsor liked him and thus we hired him.

Mr. LISHMAN. Did a representative of the sponsor attend the simulated run?

Mr. CARLIN. Yes, sir.

Mr. LISHMAN. Who was that?

Mr. CARLIN. If I remember it, I think both Mr. Martin Revson and Charles Revson were there. I think George Abrams was there. Possibly two or three other people.

Mr. LISHMAN. Did they indicate to you that they would approve the selection of Mr. Story as emcee?

Mr. CARLIN. Yes, sir.

Mr. LISHMAN. At that time?

Mr. CARLIN. At that time. There was another client at that time, and, as a matter of fact, on the "Challenge" show, all the way through, Lorillard, representatives of Lorillard were present. They jointly approved Mr. Story.

Mr. LISHMAN. When did the "\$64,000 Question" go on the air?

Mr. CARLIN. It went on the air the 5th of June, 1955.

Mr. LISHMAN. And you were executive director of it from the period June 7, 1955, until it went off the air?

Mr. CARLIN. That is correct.

Mr. LISHMAN. When was that?

Mr. CARLIN. It went off the air sometime, I believe, in November of 1958.

Mr. LISHMAN. Similarly with the "\$64,000 Challenge," when did that go on the air?

Mr. CARLIN. That went on the air in April 1956 and went off the air in September 1958.

Mr. LISHMAN. Is it a fact that the quiz shows on these two programs were controlled?

Mr. CARLIN. Yes, sir.

Mr. LISHMAN. Have you been here through the testimony of Mr. Koplin?

Mr. CARLIN. I have been here through the entire testimony.

Mr. LISHMAN. Do you disagree with his testimony as to the methods of control that were used on this show?

Mr. CARLIN. I do not.

Mr. LISHMAN. Do you disagree with his testimony that the extent of the control was such that when you wanted a contestant to continue on either program you could generally assure his doing so with a degree of accuracy about 80 percent of the time?

Mr. CARLIN. I do not disagree.

Mr. LISHMAN. Do you agree with that?

Mr. CARLIN. I do agree.

Mr. LISHMAN. With the balance of his testimony, you agree?

Mr. CARLIN. I do.

Mr. LISHMAN. I do not think it would be necessary to go through that line of testimony.

As executive producer of these programs, did you attend meetings between Entertainment Productions, Inc., and Revlon with reference to them?

Mr. CARLIN. Yes, sir.

Mr. LISHMAN. When did these meetings commence?

Mr. CARLIN. To the best of my recollection, they began on a formal basis the late summer or the early fall of 1955. I have a feeling that they began on a formal basis some time in September 1955.

Mr. LISHMAN. How long did they continue?

Mr. CARLIN. They continued until the shows went off the air.

Mr. LISHMAN. How often did you hold these meetings?

Mr. CARLIN. The meetings were held weekly.

Mr. LISHMAN. Who attended these meetings?

Mr. CARLIN. From our end, I was always there. Mr. Fleischmann was there. Mr. Revlon's end, Mr. Martin Revson was there, if he was in town. He was the chairman of the meeting. Usually George Abrams was there. Perhaps one or two other assistants of Revlon, and then the various people from the various agencies?

Mr. LISHMAN. What agencies were those?

Mr. CARLIN. To start with, Norman, Craig & Kummerlin.

In the first meetings there was Mr. Norman, and I believe Mr. Craig attended. Then there was some situation arose and Mr. Norman stopped attending and Mr. Craig attended. Then a situation evi-

dently worsened and Mr. Craig stopped attending because at that point Revlon was changing agencies. They decided on B.B.D. & O., Batten, Barton, Durstine & Osborn. When B.B.D. & O. were the agency, they had their people attend.

Mr. LISIMAN. What agency was there after B.B.D. & O.? You had not connected with the show thereafter?

Mr. CARLIN. No, I was with it all the way through. There was some overlapping. I think at one time C. J. LaRoche and B.B.D. & O. were agencies at the same time.

Subsequently every one disappeared, and only Warwick & Legler was the agency and only people from Warwick & Legler attended.

Mr. LISIMAN. Did Mr. Charles Revson, the president of Revlon ever attend any of these meetings?

Mr. CARLIN. To my knowledge, he never attended a full meeting. He came in from time to time, infrequently, at the end of a meeting. In other words, he knew that the meeting would break up possibly at 12:30 and so he would make an appearance around 12:30 from time to time.

Mr. LISIMAN. What subjects did you generally discuss at these meetings?

Mr. CARLIN. We discussed every possible phase of the show. We would start usually with a discussion of the previous shows. In other words, what happened the week before. This was discussed in the most minute detail; that is, the contestants were discussed, the questions given to them, the interviews they had. Certain criticisms of the format. The music was too loud, for instance, or the music was too low. The cross from the middle of the stage to Mr. Fite's area was too small. The most minute detail.

Mr. LISIMAN. Even the garment of the hostess announcer of the advertiser, was that ever discussed?

Mr. CARLIN. Actually, the gowns of the girls were discussed. Not of the young lady you are referring to, because that was out of our province entirely. But the hostess on the show, her gowns were discussed quite frequently.

On the "Challenge" show—

Mr. LISIMAN. Did the sponsor indicate she should change her gown?

Mr. CARLIN. I think anything the sponsor suggested there was pretty constructive. He had quite a flair for attractive clothes. We finally solved that—

Mr. LISIMAN. Just a minute. Coming to this little minute detail I want to find out just how far the sponsor went in controlling this situation. Did he indicate that one of the reasons why he wanted to have the gown of the lady announcer changed was that it took away too much interest from the product that they were trying to sell?

Mr. CARLIN. Are we talking about the commercial announcer or the hostess of the show?

Mr. LISIMAN. The commercial announcer.

Mr. CARLIN. We had nothing to do with the commercial announcer. That was never discussed. I have no recollection of that being discussed.

Mr. LISIMAN. Very well. Go on.

Mr. CARLIN. But as far as the performers, on the "Challenge" we had two young ladies and on the "Question" we had one young lady. As far as they were concerned there was a discussion of the kind of clothes they were wearing. The girls were not wearing clothes—I remember one situation on the "Challenge"—in which the client felt that the clothes were not fashionable enough and suggested that we look into it, and we did.

Mr. LISHMAN. At any of these meetings did the sponsor indicate its desire that certain contestants should be continued on the program?

Mr. CARLIN. Yes, sir.

Mr. LISHMAN. How often would this happen, approximately?

Mr. CARLIN. It would happen virtually every meeting. At every meeting we would have some discussion about futures. What would happen on the next show, what would happen in 2 weeks.

Mr. LISHMAN. At any of these meetings did the sponsor ever indicate that certain contestants must be gotten rid of?

Mr. CARLIN. He made an urgent suggestion that certain contestants leave the show.

Mr. LISHMAN. Who would make these suggestions on behalf of the sponsor?

Mr. CARLIN. Mr. Martin Revson made them quite frequently. Sometimes George Abrams made them.

Mr. LISHMAN. Did Mr. Charles Revson ever make them?

Mr. CARLIN. I don't remember him ever making them.

Mr. LISHMAN. What kind of suggestions would Mr. Charles Revson make in his very infrequent appearances at these meetings?

Mr. CARLIN. He came in to sort of criticize in an overall way. There was a period of time in which the client felt that we ought to radically change the format of the "Challenge" show. We came up with suggestions and the client came up with suggestions, and these we kept discussing back and forth, and no results seemed forthcoming. Mr. Charles Revson, I remember on one of the rare occasions he did show up, came in to urge us to change the format of the show. That was one time. Another time he had a suggestion for a format change on the "Question" show. He came in and urged us to make a format change on the "Question" show. Sometimes he came in just to tell us he was not pleased. He was displeased with the whole show.

Mr. LISHMAN. Did the sponsor at any time in any of these meetings indicate the types of questions or categories that should be used on the shows?

Mr. CARLIN. They constantly made suggestions about old categories which we had, which they felt were not interesting enough to be dropped, and new categories which we should invent and which they suggested themselves.

Mr. LISHMAN. Did you always agree as a producer to the sponsor's wishes in these connections?

Mr. CARLIN. We didn't always agree, no. I would say that we agreed in a larger percentage of the cases.

Mr. LISHMAN. Would you say 90 percent of the time you agreed?

Mr. CARLIN. It is hard to say, Mr. Lishman. I would be hard-pressed to give you a percentage. Certainly I would say it would be 75 percent.

Mr. LISHMAN. Now, supposing the sponsor made a suggestion for a change and you went along with that suggestion and it turned out

that it didn't have much popular appeal? What would happen then at the next meeting?

Mr. CARLIN. I don't quite understand.

Mr. LISHMAN. Supposing the sponsor made a suggestion that you make a change, and you made the change, to achieve, let us say, a higher rating, and it turned out that it didn't achieve a higher rating. What would happen at the next meeting with the sponsor?

Mr. CARLIN. As I understand it, if the sponsor made a suggestion and the results he wanted to achieve were not achieved, at the next meeting there would be a reversal of his position.

Mr. LISHMAN. And then what would he do? What would he say to you?

Mr. CARLIN. He would prefer that we try something else. This might occur in this manner: We might have a contestant upon the show which all of us liked, which the client liked, and which we liked, and from a purely personal point of view seemed very nice. Yet the rating dropped that particular week. There would be some remarks about this is a very nice contestant and my wife likes him and my neighbors do, but evidently from a countrywide point of view he is not suitable. We were no longer encouraged to continue with that contestant.

Mr. LISHMAN. Did the sponsor know the controls that were being used on either of these programs?

Mr. CARLIN. I am not sure if the client had any specific knowledge of all of our controls. I think he had a very good idea of some of the controls, but not of all of them.

Mr. LISHMAN. Did he know that you could accomplish the result that he wanted?

Mr. CARLIN. Well, this was happening again and again, and when it did happen the client was pleased. When it did not happen, the client was displeased. There must be a cause and effect here that operates.

Mr. LISHMAN. Did the sponsor ever make inquiry of you as to what controls you were using?

Mr. CARLIN. I don't remember any specific request of that. I don't recall him specifically asking it. There was a lot of inference.

Mr. LISHMAN. In response to the suggestions or requests of the sponsor at these weekly meetings, did you intensify your controls in order to accommodate the wishes of the sponsor?

Mr. CARLIN. That is hard to say, Mr. Lishman. I think the road toward more and more controls is one that has to be shared between ourselves and any of the urgent suggestions made at these meetings.

Mr. LISHMAN. Would you say that it would have been hard if not impossible, to say "No" to a suggestion made by Revlon, the sponsor?

Mr. CARLIN. There is a tradition in television, at least to my knowledge, of trying to please the client. If you have a client whom you see once in 13 weeks, pleasing him becomes a relatively simple matter. But if you have a client whom you see each week, a very persuasive client, pleasing him becomes far more difficult. You have to please him every week, not every 13 weeks. We were willing to please the client.

Mr. LISHMAN. Would you say that these weekly meetings represented a series of meetings wherein pressures were being exerted by the sponsor on the conduct of the programs?

Mr. CARLIN. There were pressures; yes.

Mr. LISHMAN. At these meetings did you discuss ratings of either of these two programs?

Mr. CARLIN. It was impossible not to, Mr. Lishman. To begin with, Revlon developed a chart of ratings which sat upon a wall and which was referred to at every meeting. Then the ratings of our show were compared with other shows. So there was not only the problem of ratings within our own shows but the discussion of comparative ratings with other shows.

Mr. LISHMAN. Is it fair to say that as a result of these meetings that you and Revlon decided what you would do with a contestant, and then you proceeded to go out and do that?

Mr. CARLIN. I would say, sir, that we had a joint policy established between us in which each had a full partnership. Then the discussion of that policy was left to us.

Mr. LISHMAN. Was that the usual relationship, do you think, between a producer and a sponsor?

Mr. CARLIN. It wasn't the relationship we had between ourselves and Lorillard. They were the cosponsors.

Mr. LISHMAN. Did the cosponsor, Lorillard, ever put any pressure on you with respect to any programs?

Mr. CARLIN. We had very infrequent meetings with the advertising agency for Lorillard in which they wanted to discuss with us generally what our plans were for the next 10 weeks or so. Did we have interesting matches coming up? But none of it was in any enormous detail. Nor were there any urgent requests.

Mr. LISHMAN. Did you have meetings with representatives of Lorillard itself as distinguished from its agency?

Mr. CARLIN. On one occasion I remember we did. The agency was present, however. This was at a time we were considering change of MC's, as I remember it; at the time when we hired Mr. Storey, as I remember it. I believe that is the reason why we were there. I can only remember one time that I was in the office, perhaps twice, that I was in the office of Lorillard.

Mr. LISHMAN. Did the sponsor ever indicate dissatisfaction with the "Challenge" television program?

Mr. CARLIN. Yes, he did.

Mr. LISHMAN. How did he indicate that dissatisfaction?

Mr. CARLIN. As specifically as that. He would say: "Last week's show was terrible. The ratings are going down. The contestants are not interesting." And also that we may very likely not continue with the show.

Mr. LISHMAN. Was that in your opinion a threat that Entertainment Productions, Inc., might be fired, or its services terminated?

Mr. CARLIN. It meant simply that the client would exercise his right to cancel the "Challenge."

Mr. LISHMAN. Is it a fact that because of the superior rating, particularly of the "Question," that you would have been able, or you were in a position, if the contract had been terminated, easily finding another sponsor?

Mr. CARLIN. As I look back, in hindsight, Mr. Lishman, I would say what you said is absolutely true. But to begin with, the contract in the first year was, I believe, the first cycle was 13 weeks, the second

cycle was 13 weeks, and then it was 26 weeks. Whether you have a hit show or not, as you begin approaching that cancellation date, a set of jitters sets in. Now before we had progressed a full year we had complicated the whole picture by having a second show called the "Challenge." We now were dealing with a client who had two of our shows, the "Question" show and the "Challenge" show. Furthermore, we had some feeling that the sponsor identification with the "Question" show was so great that this was a negative in trying to sell it to another client. This was our feeling during that period.

As I think back today, I think we were foolishly nervous about it.

Mr. LISHMAN. But you did experience this threat of cancellation, whether you now feel it was foolish or not, and this threat hung over your head, did it not?

Mr. CARLIN. There was a time during which it hung over your head. On the "Challenge" show it hung over our heads for the last 39 weeks the show was on the air.

Mr. LISHMAN. Was that threat an inducement to you to intensify controls on the show?

Mr. CARLIN. That would be the normal reaction. Intensify controls, did you say?

Mr. LISHMAN. Yes.

Mr. CARLIN. It would have to go in two steps.

The first reaction to that would be to do everything you could to make it a more exciting show. That is the first reaction.

The second reaction would be that if by intensified controls you could, that is what you would do. That is what in effect happened.

Mr. LISHMAN. Would one of the ways be that of having more losers on the program?

Mr. CARLIN. It might be.

The period I am referring to was the last 39 weeks of the "Challenge." It could very well mean more losers. I don't think what I am saying is relevant to the question of more losers.

Mr. LISHMAN. To summarize the entire situation, would it be fair to say that what Revlon was interested in was getting the ratings up and they did not care what kind of controls you might use to get there?

Mr. CARLIN. Well, shall I say this: I think Revlon's primary interest was in getting the ratings up. As to whether or not they didn't care, they certainly didn't make any issue about it.

Mr. LISHMAN. They never inquired what controls you were using?

Mr. CARLIN. Well, they inquired, yes, in a mild sort of way. They indicated to us that they had some idea that we were controlling the show.

Mr. LISHMAN. Now with respect to these weekly meetings, were written memorandums circulated setting forth the substance of the discussions which had taken place at these meetings of the sponsor?

Mr. CARLIN. Yes, sir.

Mr. LISHMAN. Was there a memorandum circulated at one time which described the exact results which the producers hoped to obtain on the next week's show?

Mr. CARLIN. I remember it.

Mr. LISHMAN. What did that memorandum say in substance?

Mr. CARLIN. In substance, it referred to what was expected to happen on the "Challenge" show and what was expected to happen on

the "Question" show. In other words, Sunday night the following will happen, 1, 2, 3. Tuesday night the following will happen, 1, 2, 3.

Mr. LISHMAN. Do you happen to recall what 1, 2, and 3 were?

Mr. CARLIN. Unfortunately, no. I do not.

Mr. LISHMAN. What was the nature of it?

Mr. CARLIN. The nature of it was that so and so would continue, and get through his question. The following match would terminate. The following match would continue.

Mr. LISHMAN. Was this a more specific translation of what the general consensus of the earlier meetings had been with respect to the same problem?

Mr. CARLIN. Yes, sir; it was.

Mr. LISHMAN. And done in a much more crude and less subtle manner than the preceding memos?

Mr. CARLIN. That is correct.

Mr. LISHMAN. What happened to that memorandum?

Mr. CARLIN. I never kept memorandums. The memorandum would come in and I might keep it a few days and throw it out. I had no reason to hold it. No one seems to have a copy of it. I did not destroy this memo because I wanted to destroy this particular memo. I merely threw it out as I threw out all memos.

Mr. LISHMAN. Do you recall who prepared that memorandum which was circulated among the people who attended the meeting?

Mr. CARLIN. To my knowledge it was someone at B.B.D. & O., because they were preparing all memos.

Mr. LISHMAN. Whom did they represent?

Mr. CARLIN. Batten, Barton, Durstine & Osborne, the advertising agency representing Revlon.

Mr. LISHMAN. At the next weekly meeting after this rather extremely specific memorandum, did the sponsor say anything about it?

Mr. CARLIN. Yes. The sponsor was somewhat chagrined that this memo had been circulated.

Mr. LISHMAN. By Mr. Martin Revson?

Mr. CARLIN. Actually, Mr. Martin Revson expressed chagrin that this memo had been circulated and advised that there was no need for any memos thereafter.

Mr. LISHMAN. Was that the last memorandum of weekly meetings that you as a producer ever received?

Mr. CARLIN. To my knowledge, yes.

Mr. LISHMAN. You said that Mr. Martin Revson was chagrined. What did he say or how did he indicate chagrin?

Mr. CARLIN. I would not know his exact words. His chagrin was expressed in words. I am trying to be fair to his quote. In essence it was, "Whoever wrote this silly memo, this memo doesn't look very good if it ever were found by anyone, and no more memos."

Mr. LISHMAN. As the rating of the "Challenge" show went down, is it a fact that the pressure from the sponsor increased that you do something to bring that rating up?

Mr. CARLIN. Yes, sir.

Mr. LISHMAN. How did they exert that pressure on you?

Mr. CARLIN. It started with the suggestion that we change the format. We had a rather simple format. In essence it was a spell-down, one person against the other, the same question to each, and the

person who missed that would result in the end of the match. They felt that there was not enough game in that.

May I say we felt that there was not enough game in that either. We came up with suggestions for changing; they came up with suggestions for changes. Out of that evolved some changes in the format. I don't think changes that really made very much difference, but the big thinking occurred in the kinds of matches they wanted us to put on and the kind of spectacular questions we could stage.

MR. LISHMAN. Now, Mr. Carlin, on March 28, 1958, did you get a call from Mr. George Abrams of Revlon with respect to the Cohn-Springer affair?

MR. CARLIN. I did receive a call from him. I presume that is the correct date.

MR. LISHMAN. Did you have a meeting subsequent to that?

MR. CARLIN. Yes. He told me that something had happened on the show the previous Sunday and Mr. Cohn was terribly upset. I said: "I will call Mr. Cohn right away and ask him to come up and see me."

Mr. Abrams said, "Don't do that. I have talked to him and put him in a pleasant mood and there is no reason for you to speak to him." So I did not.

MR. LISHMAN. Was Mr. Cohn a friend of Mr. Abrams?

MR. CARLIN. He was a friend of someone at Revlon; I believe Mr. Abrams, although I am not absolutely certain.

MR. LISHMAN. Did any representative of the sponsor ask you if the Cohn-Springer incident was true?

MR. CARLIN. That was asked a good number of months later.

MR. LISHMAN. In August of that year?

MR. CARLIN. I think it was in August. I think it was at the time that it was discovered that Mr. Cohn had written a letter which he had circulated to a number of his friends describing the incident in detail. It was at that time that we were asked, to my recollection, to come in and explain it. We then had a meeting. This was not the regular meeting. We then had a meeting.

MR. LISHMAN. Who attended that meeting?

MR. CARLIN. I was there. I think Mr. Fleischmann was there. George Abrams was there. I don't remember if any of the Revsons were there. Our attorney, Leonard Steibel, was there. So was Mr. Jaffe, the Revlon attorney. There may be one or two others.

MR. LISHMAN. What did you discuss at that meeting?

MR. CARLIN. They wanted to know how it happened. In regard to that, I attempted to explain it and I was not completely candid.

MR. LISHMAN. If they knew you were controlling the show, why were you not candid?

MR. CARLIN. Well, I don't know how you describe this, but you get yourself involved in a sort of psychological game, Mr. Lishman, in which everybody seems to know but no one is willing to admit, or no one is willing to ask, or if they know they don't want to confirm it. We just kept playing the psychological game.

MR. LISHMAN. In other words, there was a general understanding that controls were going on to accomplish desired results, yet no one would come out and talk across the table about it?

MR. CARLIN. More or less. That would be a correct summary.

Mr. LISHMAN. Did there come a time when the Columbia Broadcasting Co. took up this Cohn-Springer affair?

Mr. CARLIN. Yes. They took it up shortly after the time they discussed it with Revlon.

Mr. LISHMAN. What representative of CBS took this matter up with the producers?

Mr. CARLIN. Mr. Lishman, I am a little vague on this because I recall two meetings with CBS. I don't remember whether in the second meeting the Cohn-Springer incident was really discussed, because the second meeting concerned itself with Mr. Jackson's complaint.

That was gone into at enormous length, frequently.

I would say there were 4 or 5 hours of conversation on that. I have some vague recollection that possibly Cohn-Springer was brought up at that time, but I am really not sure.

Mr. LISHMAN. Had you had an earlier meeting with CBS?

Mr. CARLIN. Yes; we had an earlier meeting, perhaps 2 weeks before.

Mr. LISHMAN. Who attended that meeting?

Mr. CARLIN. The first meeting?

Mr. LISHMAN. Yes.

Mr. CARLIN. The first meeting was in Robertson's office. It was attended by one of the legal staff, Mr. Foreling, I think.

Mr. LISHMAN. Who else attended?

Mr. CARLIN. Only myself and Mr. Fleischmann, as I remember, there were four of us.

Mr. LISHMAN. Was Mr. Hubble Robertson there?

Mr. CARLIN. He was there.

Mr. LISHMAN. What was his title?

Mr. CARLIN. At that time he was in charge of programs. Vice president in charge of programs. He is no longer with CBS.

Mr. LISHMAN. What did you discuss at that meeting?

Mr. CARLIN. They wanted to know how we ran our shows and we gave them a rather general description of the way in which we ran our shows.

They then requested that we write a detailed analysis of this in some letter or report. Before we completed that, the Jackson event occurred and now we were having another meeting with CBS, with their attorneys.

Mr. LISHMAN. Is that Mr. Fisher?

Mr. CARLIN. Mr. Fisher was present and other attorneys were present. That was quite a long meeting.

Mr. LISHMAN. What was the substance of the discussion concerning Jackson?

Mr. CARLIN. The substance was, what happened to Jackson. The key to it seemed to rest with the phone call which Mr. Fisher made to Mr. Jackson. It was a very confusing day, Mr. Lishman.

It started out with some idea that somebody had written a story for some Tennessee newspaper involving an answer being given to Mr. Jackson. By 10 o'clock that morning—it was a Saturday and our office was theoretically closed—the phones were ringing madly.

At 11 a reporter called and said that Mr. Jackson had retracted his statement. This encouraged me to call Mr. Jackson.

Up to that point I had not intended to. Mr. Jackson said that he was somewhat surprised at the excitement that his interview had caused. I asked him would he be kind enough to send us a wire clarifying whatever it is that he had said because it was not clear to me over the phone.

Shortly after 11 o'clock a representative of CBS showed up and said would we please attend a meeting at their lawyer's offices which happened to be in the same building.

I am guessing at 2 o'clock that afternoon. So we went there. We were there from 2 o'clock to possibly 7 o'clock.

The key to the meeting was Mr. Fisher's telephoning Mr. Jackson and questioning him very carefully and at great length.

Mr. LISHMAN. Did you make any change in the controls that were being exercised as the result of these meetings with CBS?

Mr. CARLIN. At the end of that meeting with CBS, Mr. Lishman, we abandoned all controls.

May I say that when we went back on the air with the "\$64,000 Question" that fall we had no controls at all, but what is also as important is that we produced a show for a year and some months called "Top Dollars," which also had no controls at all.

I put this in because I don't find it difficult, or none of my group would find it difficult, for any rules and regulations to apply to us.

Mr. LISHMAN. Now, Mr. Carlin, when Mr. Goodwin was questioning Mr. Koplin, he referred to an April 1957 issue of Time magazine which had an article saying that quiz shows were controlled or rigged, or whatever you want to call it; isn't it a fact that no one from either network, and no one connected with the Federal Communications Commission or with the Federal Trade Commission ever approached you during that time to ascertain whether or not controls were being exercised on the "\$64,000 Question" or "Challenge"?

Mr. CARLIN. No, sir: not during that time. We were not approached by anybody.

Mr. LISHMAN. Would you say it was generally assumed in the industry that controls were exercised on quiz shows?

Mr. CARLIN. I wish I knew how to answer that, Mr. Lishman. I guess here though it is a sort of psychological game that was being played. No one admitted anything to anybody. I just don't know how to answer that.

May I say that when I started to produce the "Question" show in June of 1955, I did not know about controls. I did not start that show with a preconceived notion that we were going to control it.

This just became apparent to me as the show rolled on. I had been in broadcasting and television, radio and television, for a good many years before that. Never did I know about controlling a show.

Mr. LISHMAN. May I ask you: Did you have some connection with the show "Big Surprise"?

Mr. CARLIN. Yes, sir.

Mr. LISHMAN. When was that show on the air?

Mr. CARLIN. That started in October of 1955.

Mr. LISHMAN. What company produced that show?

Mr. CARLIN. The same company, Entertainment Productions, Inc.

Mr. LISHMAN. Was Louis Cowan, Inc., the producing company, at any time on that program?

Mr. CARLIN. I think the company at that time still carried the name Louis Cowan, Inc. I don't remember when that name was changed.

Mr. LISHMAN. Was that show controlled?

Mr. CARLIN. In the same way that the "Challenge" was.

Mr. LISHMAN. Was that the subject of investigation by the Federal Communications Commission?

Mr. CARLIN. Yes, sir; it was.

Mr. LISHMAN. Do you recall what action was taken by the Federal Trade Commission?

Mr. CARLIN. They sent an investigator up who listened to a number of our transcriptions and asked some questions, and at a certain point our legal staff took over the issue and everyone seemed to be satisfied.

Mr. LISHMAN. Who was your attorney before the Federal Trade Commission, do you recall?

Mr. CARLIN. I don't know. I don't know.

Mr. LISHMAN. I have no further questions, Mr. Chairman.

The CHAIRMAN. Are there any questions by members of the subcommittee? Mr. Carlin, I want to thank you on behalf of the subcommittee for your testimony. Again I want to reiterate it is your statement that your testimony here and the statement by Mr. Koplin, as far as you know, are facts to be true?

Mr. Carlin, how long were you executive producer of these shows?

Mr. CARLIN. During their entire life. That would mean from the 5th of June 1955, to the time they went off the air which would be roughly the fall of 1958.

The CHAIRMAN. We have seen how these clever schemes by which so many people could be duped into this kind of a sad situation. I suppose it could be compared somewhat to deceptions and cheating and so forth in school examinations where they have a student council who sees that those who violate are severely penalized.

I recall quite a number of them were even kicked out of West Point. Severe and rough treatment are given to those who are guilty of such.

Here we are unraveling schemes of deception and fraud in professions and business. I certainly do not condone that kind of proceeding from contestants, as well as anyone else.

But it does seem to me that the basis for the whole thing is right in the field where you and your associates have been operating. There has been the source, and human frailties being what they are, we now have experienced the kind of a situation which has the American people pretty stirred up.

It is not our purpose to try to destroy anyone or to try to make it hard on anyone, but just find out what the truth of the facts are.

Being as sad a picture as it was, I complimented others, as I did Mr. Van Doren, and now you, and those of you in the producing end of it, for realizing the situation insofar as it affected the public and finally coming in and letting people know just what had been going on.

It will be our responsibility to try to do something about it with reference to the kind of approach that would be acceptable by the American people to adequately and properly regulate such kind and types of operations.

So for your appearance here and your testimony in helping the subcommittee unravel this rather gruesome picture, we thank you.

Mr. CARLIN. Thank you.

The CHAIRMAN. You may be excused.

Mr. CARLIN. Thank you.

The CHAIRMAN. First I will state that the subcommittee has acted, as the rules of the House provide, and this afternoon decided to make public the testimony that was taken in executive session on October 6 to the 13th, I believe, or whatever the date was, with the exception of the testimony of the small Chinese firm. That information or testimony will also be made public as soon as the records are available.

There are only, I think, a couple of copies or so, but it will be in the committee room and one of the committee staff will have charge of it.

That will be the testimony of Mr. Enright, Mr. Jurist, Mr. Freedman, Mr. Doud, Mr. Felsher, Mr. Sy Fisher, and also the testimony of Mr. Ross here today.

The testimony of Patty Duke will not be released at this time.

In the morning after a deposition has been read, the first witness will be Mr. Martin Revson and Mr. Charles Revson.

Following that we will have Mr. Kenneth Hoffer, and Mr. Max Hess, and that is all that I can announce in advance at this time.

The subcommittee will adjourn until promptly 10 o'clock in the morning.

(Thereupon, at 6:35 p.m., the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, November 4, 1959.)

INVESTIGATION OF TELEVISION QUIZ SHOWS

WEDNESDAY, NOVEMBER 4, 1959

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON LEGISLATIVE OVERSIGHT
OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The special subcommittee met at 10 a.m., in the caucus room, Old House Office Building, Hon. Oren Harris (chairman) presiding.

Present: Representatives Harris, Mack of Illinois, Flynt, Moss, Bennett of Michigan, Derounian, and Devine.

Also present: Robert W. Lishman, chief counsel; Beverly M. Coleman, principal attorney; Richard N. Goodwin, special consultant; and Herman C. Beasley, chief clerk.

The CHAIRMAN. The subcommittee will come to order.

Mr. Martin Revson.

TESTIMONY OF MARTIN REVSON

The CHAIRMAN. You are Mr. Revson, are you not?

Mr. REVSON. Yes, Martin Revson.

The CHAIRMAN. Will you be sworn, Mr. Revson?

Do you solemnly swear the testimony you give to this subcommittee to be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. REVSON. I do.

The CHAIRMAN. Be seated. What is your address, Mr. Revson?

Mr. REVSON. 1060 Fifth Avenue, New York.

The CHAIRMAN. What is your occupation or profession?

Mr. REVSON. Private investor in industry and in real estate.

The CHAIRMAN. Who are you now associated with?

Mr. REVSON. Myself. Self-employed as a private investor in industry and real estate.

The CHAIRMAN. Were you formerly vice president in charge of advertising for Revlon?

Mr. REVSON. No, sir.

At the time I left Revlon I was executive vice president and director of the company.

The CHAIRMAN. Did you have something to do with the "\$64,000 Question" and the "\$64,000 Challenge"?

Mr. REVSON. I did, sir.

The CHAIRMAN. Mr. Revson, I am advised that you have a statement that you wish to make at the outset?

Mr. REVSON. Yes, sir.

May I read it, sir?

The CHAIRMAN. Yes, you may do so.

Mr. REVSON. My name is Martin Revson. I joined Revlon in 1935, 2 years after it was incorporated. I remained with the company as executive vice president until my resignation on April 30, a period of 22 years.

Revlon sponsored the "\$64,000 Question" from June 7, 1955, until November 16, 1958. It sponsored the "\$64,000 Challenge" with Kent cigarettes from October 23, 1955, until September 7, 1958.

During my employment by the company, that is, for all but the last few months that Revlon sponsored these programs, I was the senior Revlon executive responsible. Occasionally my brother, Charles Revson, president of the company, would drop into meetings to comment briefly, but the operating responsibility was mine.

I came down here today voluntarily to tell you this:

I never knew any question before it was asked on the air.

I never had the slightest knowledge that any contestant was fed advance information as to any question.

I never was told any answer in advance.

I never had the slightest knowledge that any contestant was told any answer in advance.

I never knew how much a contestant knew until I heard him on the air. I was as surprised as anyone else how much some of our contestants knew about their subjects.

I understood that the questions were prepared by Prof. Bergen Evans of Northwestern University, whom I regarded and still regard as an incorruptible scholar.

I understood that the Manufacturers Trust Co., one of the oldest and most respected institutions in the city of New York, protected the integrity of the questions and answers.

I never believed the producer could throw a contestant off the show when he wished.

I never directed or suggested that any contestant be removed from the show by giving him a hard question.

I never directed or suggested that any contestant be given an easy question. I believed that the order of questions was set by Dr. Evans.

During the years that I was responsible for Revlon's participation in the programs, about 300 contestants appeared, and either won or lost. But not a single one of them ever complained to me that he was not treated fairly.

We believed we had bought an honest show and we were convinced we had one. Frankly, we would have been foolish to have had anything to do with a show that was not completely honest. After all, Revlon's reputation was staked on the integrity of our programs. We were spending millions of dollars yearly to build that reputation and to build consumer good will. The slightest taint of dishonesty, the slightest hint of improper practice could damage our reputation severely and wipe out our investment of so many millions.

With so much at stake, no businessman in his right mind would ever think of permitting anything but the highest standard of integrity in connection with these programs.

You've heard, of course, a number of things about these shows. I'd like to read to you a statement by the man on whom I ultimately relied for the questions and answers on these shows, Dr. Bergen Evans.

It appeared in last week's *Life*, and I've brought copies for you. I quote from *Life* magazine, entitled "Quiz Expert Slaps the Exhibitionists":

QUIZ EXPERT SLAPS THE EXHIBITIONISTS

(By Bergen Evans)

Quite aside from the important moral issues, any TV quiz-show producer who gave answers to contestants was showing an appalling lack of commonsense. He was placing himself at the mercy of some dangerous people—publicity seeking at best, avaricious, and even crazy at worst.

Certainly many contestants were exhibitionists. Few endowed with ordinary reticence would offer themselves to a quiz show. If my experience is any indication, many of those who wanted to appear on the shows were worse than exhibitionists. The programs were looking for picturesque people, and they got all kinds. It was necessary to interview these applicants at length beforehand. One girl the producers were considering turned out to have been in jail three or four times for prostitution. One man was all set to sign a contract when he suddenly confided that all the people in the hernia ads were impersonating him. He was hastily dropped.

Sheer avarice motivated most applicants for the shows. It also affected the behavior of some contestants, leading me to formulate the Evans law of greed and gratitude. If you took all the world's wealth, \$800 billion, and offered it to some man off the street, Joe Schmoe, except for one dime that you gave to somebody else, Joe Schmoe would ask, "What's that guy done to deserve a dime?"

One contestant who lost everything when he missed the "\$64,000 Question" kept insisting he was right. The producers later proved him wrong, but the man tried to force them to settle for \$32,000. They turned him down flat. He was so mad he never bothered to pick up his Cadillac consolation prize. It's still in storage, running up one hell of a bill.

And take the case of the Reverend Stoney Jackson, of Tennessee, who now says he was given a question and answer in advance on the "\$64,000 Challenge." When he won, the reverend must not have thought his winnings were wicked. He didn't return them.

A number of contestants worked incredibly hard to get on the programs. Dr. Joyce Brothers, the psychologist, was turned down by the show in one category. The producers told her, however, that they would like to have her on as a boxing expert. She replied, "OK, give me 6 weeks." She memorized an encyclopedia about boxing and won \$64,000.

An aging ex-athlete who was turned down as a contestant sent increasingly angry letters to the producers. Finally he warned that unless he was put on the show, he would announce publicly that he had been passed over because he had refused to share his winnings with the producers. Only the eruption of the quiz show scandal ended this blackmail attempt.

I am sure that if the producers could have legitimately gotten rid of certain contestants, they would have done so. Often there would be people on the programs the public didn't like and then the ratings would go down. For 6 tedious weeks the producers fed one young contestant the toughest questions on file. But he had learned his category letter perfect and finally quit with a sizable hunk of cash. Efforts to keep popular people on failed, too. Randolph Churchill flunked the first night after the producers had spent thousands of dollars to get him on the show.

I have no reason to believe the shows I worked for were rigged. If I had thought so I would have disassociated myself from them at once. When the scandal first broke, I hoped the producers would do more than merely issue a blanket denial. I thought they would say, "Yes, cheating could have happened. If it did, we're sorry, and we'll try not to let it happen again." It was unwise of them to make a 100-percent denial of what was physically possible.

But I'll say this: The letters of some applicants—many making outright propositions to cheat—convinced me that whatever the supply of rigged quiz shows they still fell far short of the demand, at least at that time.

Continuing with my personal statement, now, to whom did the shows belong? I can tell you simply: They were not Revlon's. Rather, the shows had been conceived and produced by Entertain-

ment Productions, Inc., EPI, and EPI owned and operated them. We only leased the contractual right to telecast them as they were prepared by EPI.

Under our contract, we had a few limited rights. For example, we had the right to prepare the commercial announcements. We had a veto on the master of ceremonies. And EPI agreed to confer with us with reference to the programs. But EPI owned the programs completely.

The contract provided that EPI, the producer—

shall have exclusive control over the means, methods, and persons employed in the fulfilling of its obligations hereunder * * *

and

shall exercise the exclusive right to select, engage, fix the compensation of, discharge, and otherwise manage and control all persons employed by producer for the programs.

In short, EPI was boss. They had the last word on everything about the shows. If we didn't like it, there was nothing we could do about it.

EPI's people made it clear that they did not need Revlon. They told us constantly that we were lucky to have the show, that other sponsors were lined up at their door.

Now of course, when I could, I made suggestions. We had meetings regularly and my associates at Revlon and I regularly expressed our views. I'd like to tell you about some of the suggestions we made.

First, the initial selection of a contestant required good judgment. We wanted an interesting contest and an entertaining show. And so I insisted that EPI present contestants who were true experts and who would be warmly received by the public. When in my judgment EPI failed, I told them so.

I understand that Revlon has delivered to you copies of the minutes of some of our meetings. You will find that they contain many criticisms by me of contestants whom EPI had selected. You will find extensive discussions of possible contestants, ranging from Boris Karloff to J. Edgar Hoover. And you will find that Revlon paid for EPI people to travel around the country to find new contestants.

Further, I wanted a balance of contestants. I wanted men, women, and children and I wanted them to be expert in a broad variety of subjects, so that the programs would have the broadest appeal possible.

Next, you must remember that these contests were for very high stakes, up to \$64,000 at first and later for even higher stakes. They were contests; these were not giveaway shows.

To sustain public interest, we felt, prizes of this size must be hard to win; a winner must deserve to win \$64,000. And so I kept insisting that harder questions be asked so that only the exceptional person would win really big money. I expected that EPI would express my views to Dr. Evans.

All of these matters, you understand, were matters on which the producer, EPI, had the final say. All I could do was to make sure that they knew how we felt.

My suggestions ranged from the broadest possible policy matters to the narrowest details. I constantly asked that the show be fast paced and of high dramatic value. I criticized the lighting, the way

the contestants were dressed, the conversation that the MC had with contestants before the questioning began. We discussed every detail, large and small.

But I never once suggested that a particular contestant win or lose. It never entered my mind that the producer could control the losing or winning.

The CHAIRMAN. Does that conclude your statement?

Mr. REVSON. Yes, sir.

The CHAIRMAN. There are going to be a good many questions asked of you, Mr. Revson, because I cannot reconcile your statement, first your complete and total denial, and then your frank admissions of what part you had in developing these programs.

I think it is going to necessitate some time in clearing this situation in view of what we have had previously, and all we want is to develop the facts and the truth.

Mr. REVSON. Mr. Chairman, I came here of my own accord as you know, and I am here to tell the truth as it existed.

The CHAIRMAN. We certainly would give you that degree of confidence and would expect it of you. I think it is going to require some interrogation to clear up the facts in your statement because obviously from your categorical statement here you know quite a bit about this.

I would assume that is true, is it not?

Mr. REVSON. Yes, sir.

The CHAIRMAN. You were in the midst of the whole operation?

Mr. REVSON. Yes, sir.

The CHAIRMAN. You knew all of the people involved?

Mr. REVSON. Which people involved?

The CHAIRMAN. The producers?

Mr. REVSON. Yes, sir.

The CHAIRMAN. The networks, and advertising agencies?

Mr. REVSON. Definitely.

The CHAIRMAN. And screening contestants?

Mr. REVSON. I never met the contestants.

The CHAIRMAN. You never met the contestants?

Mr. REVSON. Not at the screenings. I may have met them for a few minutes afterward.

The CHAIRMAN. You were in on meetings that developed the policies and approaches to the show when it went on the air?

Mr. REVSON. Yes, sir.

The CHAIRMAN. Mr. Lishman, do you want to proceed?

Mr. LISHMAN. Yes, sir.

I would like first to ascertain how cooperative this witness really is in getting at the facts in this matter, and I would like to ask a few preliminary questions concerning the New York County grand jury.

Mr. Revson, you knew that the New York County grand jury was investigating TV quiz shows, did you not?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. When did you first learn that?

Mr. REVSON. Oh, last spring, I guess.

Mr. LISHMAN. How did you learn about it? Who told you?

Mr. REVSON. First of all, I read about it.

Mr. LISHMAN. Where?

Mr. REVSON. I read about it in the paper.

Mr. LISHMAN. Who was Mr. Cooper Smith?

Mr. REVSON. My personal counsel.

Mr. LISHMAN. Your personal counsel?

Mr. REVSON. That is right. Cooper Smith.

Mr. LISHMAN. Are you familiar with the fact that the district attorney desired you to appear before the grand jury?

Mr. REVSON. No, sir.

Mr. LISHMAN. Are you familiar with the fact that the district attorney wanted you to come to his office to discuss these matters?

Mr. REVSON. No, sir; I was available, if he did.

Mr. LISHMAN. Did you confer with Mr. Cooper Smith about the district attorney's efforts to reach you?

Mr. REVSON. I was away at one time when he tried to reach me.

Mr. LISHMAN. Where were you away?

Mr. REVSON. In Hawaii.

Mr. LISHMAN. In Hawaii?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Are you aware of what Mr. Cooper Smith told the district attorney, that you would not be produced as a witness?

Mr. REVSON. No, sir.

Mr. LISHMAN. Did you ever made any attempt to go down to the grand jury or to the district attorney's office and tell them the truth?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. When?

Mr. REVSON. When he asked me. He called me up a couple of weeks ago and asked me to come down. I made no hesitation about coming down.

Mr. LISHMAN. A couple of weeks ago?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. You mean since our hearings have begun?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. But you had made no effort prior to that time to go there?

Mr. REVSON. No, sir.

Mr. LISHMAN. Didn't you think it was your duty to go down there, if you know the truth, and enlighten the district attorney?

Mr. REVSON. No, sir.

The CHAIRMAN. How long was the grand jury in session, Mr. Lishman?

Mr. LISHMAN. Nine months.

Now, Mr. Revson, you have quoted Mr. Bergen Evans in an article saying that what motivated the contests was sheer greed. The contestants. Do you subscribe to that opinion?

Mr. REVSON. I never thought of it in that light. I never even considered that.

Mr. LISHMAN. Why do you hand up his article and read that statement into our record, if you didn't believe it?

Mr. REVSON. I am not taking any particular part of his statement. I took the whole statement to read by a man who is supposed to be an expert on quiz shows.

Mr. LISHMAN. I notice you stressed the greed of the contestants when you were reading it.

Mr. REVSON. I didn't notice that I did, sir.

Mr. LISHMAN. Do you feel that it was greed that motivated these contestants?

Mr. REVSON. I never even gave it a thought. No, I don't think so. That is one man's opinion.

Mr. LISHMAN. In connection with greed, I would like to show you some of your own income figures for a period of years, and ask you to identify this as to the accuracy of these figures [hands paper to witness].

Mr. REVSON. Frankly, some of the figures look correct. I can't testify to all the figures. But I assume if you got them from any of our records they are correct. I will accept them.

Mr. LISHMAN. They were obtained from your records.

Mr. REVSON. Then I accept them. Whether or not each one is correct, I don't know. I would have to look at the record.

Mr. LISHMAN. Subject to correction. At this time, Mr. Chairman, I would like to have this statement of Revlon, Inc., and subsidiaries for the years 1949 to 1958, which will show net sales, annual amount, increases in percentages, and other information pertaining to Revlon net sales.

The CHAIRMAN. Without objection, it will be included in the record. (The statement referred to follows:)

Revlon, Inc., and subsidiaries (consolidated)

[Dollar amounts in thousands]

Year ended Dec. 31	Net sales	Annual increase		Increase over 1954	Times larger than 1954
		Amount	Percent		
1949	\$16,029				
1950	19,147	\$2,218	13		
1951	22,392	3,245	17		
1952	25,491	3,099	14		
1953	28,307	2,816	11		
1954	33,604	5,297	19		
1955	51,647	18,043	54	\$18,043	1.54
1956	85,768	34,121	66	52,164	2.55
1957	¹ 95,175	9,407	11	61,571	2.83
1958	² 110,363	15,188	16	76,759	3.28

Year ended Dec. 31	Gross profit	Percent of sales	Advertising and promotion expenses	Percent of sales
1949	\$8,726	52		
1950	10,234	53	\$1,793	9.4
1951	11,493	51	2,614	11.7
1952	13,667	54	3,172	12.4
1953	14,769	52	4,689	16.6
1954	18,476	55	6,145	18.3
1955	30,518	59	7,700	14.9
1956	53,424	62	12,741	14.8
1957	58,715	62	15,084	15.8
1958	65,765	60	14,022	12.7

¹ Includes \$1,500,000 Knomark shoe polish sales.

² Includes \$15,000,000 Knomark shoe polish sales. Company acquired in November 1957.

Revlon, Inc., and subsidiaries (consolidated)—Continued

Year ended Dec. 31	Net earnings after income taxes	Percent of sales	Increase over 1954	Times larger than 1954
1949	(3)			
1950	(3)			
1951	(3)			
1952	(3)			
1953	\$983	3		
1954	1,298	4		
1955	3,656	7	\$2,358	2.81
1956	8,375	10	7,077	6.45
1957	8,999	9	7,701	6.93
1958	9,688	9	8,390	7.50

^a Not supplied.

The CHAIRMAN. Proceed.

Mr. LISIMAN. Now, Mr. Revson, when did the "\$64,000 Question" commence to be sponsored by Revlon?

Mr. REVSON. June 7, 1955.

Mr. LISIMAN. In 1954, is it a fact that the net sales of Revlon were \$33,604,000 as shown by this exhibit?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. Is it a fact that in 1955 the net sales of Revlon were \$51,647,000?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. And in 1956, that jumped to \$85,768,000?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. And in 1957 it jumped to \$95,175,000?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. And that figure includes \$1,500,000 from shoe polish sales?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. And the balance was from cosmetics?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. Is it true that in 1958 the Revlon net sales jumped to \$110,363,000?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. Does that include \$15 million of shoe polish?

Mr. REVSON. I would say so. The reason I would say so is because I left Revlon April 1958. I knew the company had a market of around that kind of volume.

Mr. LISIMAN. Do you attribute any of this phenomenal growth to your greed to want to acquire more sales?

Mr. REVSON. Absolutely not.

Mr. LISIMAN. Do you attribute any of this remarkable growth in net sales to the sponsorship of the "\$64,000 Question" and "Challenge"?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. Is it a fact that in 1954, Revlon, Inc., was one of four leading cosmetic manufacturing companies in the United States and you were not then the dominant one in point of view of sales?

Mr. REVSON. If we weren't, I don't know who was. With the exception of our house-to-house cosmetic. But as far as cosmetics being

sold over the retail counter, it was my understanding that we were the No. 1 cosmetic company in 1954, 1953, 1952, 1951, and 1950.

As a matter of fact, beginning in 1950, as I understand it, we were the No. 1 cosmetic company selling through retail outlets in America.

Mr. LISHMAN. How much ahead of your competitors were you in 1954?

Mr. REVSON. That would be difficult for me to say. I kept all these records, but I don't know exactly.

Mr. LISHMAN. We have the figures here to refresh your memory.

Mr. Revson, I have here a list of cosmetic companies listed on the stock exchange with a net sales analysis. Among the New York Stock Exchange companies shown on this list are Revlon, Inc.; Coty, Inc.; Max Factor, Inc.; Helena Rubenstein & Co., and Hazel Bishop.

Mr. REVSON. I think Hazel Bishop is only one of the Atlantic companies listed at that time. Helena Rubenstein and Max Factor are American Stock Exchange, if that makes any difference.

Mr. LISHMAN. Let us look at the figure for 1953.

I will show you this so you can follow.

If you will start with the year 1953, and as shown here the net sales for Revlon were \$28,398,065?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. The net sales for Coty were \$19,590,671; for Max Factor, \$19,021,041; for Helena Rubenstein, \$20,473,124; for Hazel Bishop, \$9,908,804.

Mr. REVSON. Yes, sir.

Mr. LISHMAN. At that time your dominance was not as great as it is today; is that correct, among the companies listed here?

Mr. REVSON. I have to study that a minute.

Mr. LISHMAN. I will read the bottom figures.

Mr. REVSON. No. I am wondering at the 1958 figures. I see the nearest competitor is Max Factor with \$45 million.

Of course, if you take out the 15 million or so for Knomark shoe polish, you come down to what, \$96 million, about. So it would be a little less than 50 percent more.

Mr. LISHMAN. Putting it this way: In 1953, you were approximately \$8 million ahead in net sales of your nearest competitor, Helena Rubenstein; is that not correct?

Mr. REVSON. That is what the figures say. I am taking the figures.

Mr. LISHMAN. In 1958, excluding the shoe polish sales, your nearest competitor had rounded net sales of \$45 million and you had rounded net sales of \$96 million?

Mr. REVSON. Yes.

Mr. LISHMAN. In other words, in 1958, you were twice as good as your nearest competitor?

Mr. REVSON. Yes.

Mr. LISHMAN. Do you attribute this to the "\$64,000 Question" and "\$64,000 Challenge" programs?

Mr. REVSON. It helped. It helped.

Mr. LISHMAN. There has been testimony here, Mr. Revson, that commencing shortly after the "\$64,000 Question" went on the air, weekly meetings were held in your office or the office of Revlon, at which you presided as chairman; is that correct?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. How long did those weekly meetings continue?

Mr. REVSON. I think they continued until sometime before—they continued until I left the company in April of 1958. I believe they must have continued after that. I am not sure.

Mr. LISIMAN. Who attended these weekly meetings?

Mr. REVSON. The representatives of Revlon? Do you want the names of the individuals?

Mr. LISIMAN. Yes.

Mr. REVSON. From Revlon, aside from myself, there was George Abrams, director of advertising, vice president by title; Bill Mandel, his assistant.

From the agency, depending upon which agency it was at the time, there might have been two representatives. You want the names of them?

Mr. LISIMAN. Yes, sir.

Mr. REVSON. For Norman Craig & Kummel, the original agency, it would have been Norman and Wally Craig.

Someone made mention yesterday that Norman didn't attend them after a while. I don't recall that. Also that Craig didn't attend them. But I will accept that.

When it was B.B.D. & O., it was Robert Foreman, executive vice president of B.B.D. & O., Alward, and I think that was about all from B.B.D. & O.

From EPI, Harry Fleischmann, president; Steve Carlin, executive vice president, and at the outset it was Joe Cates, the original producer of the "\$64,000 Question."

Thereafter I recall Mort Koplin, also Ed Jurist attended some of the meetings, representing the "\$64,000 Challenge" show.

Mr. LISIMAN. What was the primary purpose of these meetings?

Mr. REVSON. The purpose of the meeting was to review everything that went on at the show. The staging of the show; format of the show; the way the MC handled himself with the contestants; the paying of the show; the lighting of the show; the kind of contestants we had on the show.

All the large and small details that attend such a production.

Mr. LISIMAN. Were decisions made at these meetings that certain contestants should be continued on the show?

Mr. REVSON. No, sir.

Mr. LISIMAN. Were decisions made at these meetings that certain contestants should be dropped from the show?

Mr. REVSON. No, sir.

Mr. LISIMAN. Were memorandums kept of these meetings during a certain period?

Mr. REVSON. I believe so.

Mr. LISIMAN. And these memorandums, copies were given to you or to Mr. Abrams?

Mr. REVSON. I believe I got copies.

Mr. LISIMAN. You have just testified—and I want to remind you that you are under oath—you testified that no decision was ever made at any of these meetings to drop a contestant from a show?

Mr. REVSON. That is correct.

Mr. LISHMAN. I wish to show you a memorandum of a meeting—a memorandum dated November 29, 1955—and call your attention to page 2 to the following statement: this purports to reflect what went on at the meeting:

We discussed possible lineups for the show of December 6, based on what might or might not happen, and also for the show of December 13. Froelich will be disposed of this week one way or the other. He will either win \$64,000 or quit.

If all the others survive, the December 6 show would consist of the miner, Dr. Brothers, the postman, and a very colorful woman who is a cook and will take movies for her category.

Now, I ask you, is that not a true statement which appears in this letter or memorandum indicating what transpired at one of these meetings?

Mr. REVSON. I don't see anything wrong with what is said there. It said whether he will win or lose. I will show you lots of other memorandums that say the same thing.

Mr. LISHMAN. It doesn't say whether he will win or lose. It says Mr. Froelich will be disposed of this week.

Mr. REVSON. Read the rest of it.

Mr. LISHMAN. "One way or the other. He will either win \$64,000 or he will quit."

Mr. REVSON. That is right. Or he will quit. It was in all the memorandums the same way.

Mr. LISHMAN. It doesn't say he will win. He will win or quit?

Mr. REVSON. He might decide to take his money and leave. Here are some other memorandums along that line if I may be permitted—

Mr. LISHMAN. I submit to you, don't you understand this paragraph to mean that you were discussing who would stay on the show and who would get off the show?

Mr. REVSON. Absolutely not. We discussed the fact of who would come on the show, yes, but we had no influence or supervision over who was going to stay on the show.

Mr. LISHMAN. I am going to read some more from this memorandum:

We discussed further contestants among whom the office listed, one, Greek waiter, ancient history; two, a fireman, Shakespeare; three, a valet or opera, and philosophy; four, a 14-year-old boy, opera; five, a 10-year-old boy, baseball. We reiterated—

and this is a letter to your Mr. Abrams.

Mr. REVSON. Who is it from?

Mr. LISHMAN. This letter is from Walter Craig.

Mr. REVSON. What year was it?

Mr. LISHMAN. Of Norman Craig and Kummel.

The CHAIRMAN. Let him see it so he can familiarize himself.

Mr. REVSON. That is all right; I accept it.

Mr. LISHMAN. Here is the advertising agency writing to your Mr. George Abrams. Who is Mr. Abrams?

Mr. REVSON. He was the vice president in charge of advertising for Revlon.

Mr. LISHMAN. Was he at all these meetings?

Mr. REVSON. Most of them; yes, sir.

Mr. LISHMAN. Here we have this memorandum stating that this meeting where you were discussing the lineups for the show of Decem-

ber 6 and for the show of December 13, where you were discussing future contestants; is that correct?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Were decisions made at these meetings as to who these contestants would be?

Mr. REVSON. The future contestants?

Mr. LISHMAN. Yes.

Mr. REVSON. Not final decisions all the time. But suggestions on our part were offered to the producers and it was up to them to determine whether the contestants would appear. They made the final decision.

Mr. LISHMAN. According to your advertising agent, Norman, Craig & Kummel, according to the memorandum:

We reiterated your desire—

meaning Revlon's—

for more personality and more color in contestants, even noncritical ones. We discussed the desire for more categories, and the office reported that they are now developing questions for a ballet category and TV category, along with Sherlock Holmes and Lincoln. They are also developing a music category and will continue to look for an alert bobby-soxer who could use it.

In the light of this memorandum, which reflects what went on at this meeting, do you still insist that Revlon, the sponsor, did not participate in the making of decisions as to who would go on the program and who would go off the program?

Mr. REVSON. We made suggestions to the producer as to what we considered picturesque, interesting contestants. It was up to the producer then to determine whether he wanted to follow our suggestions or not.

I want to say at this time that the producer at all times was in full control of the show by contract and every other means. I want to also say again that he told us time and time again that if we didn't like the show we didn't have to have it, he could sell it at higher price than he was receiving from us.

Mr. LISHMAN. Who told you that?

Mr. REVSON. Harry Fleischmann.

Mr. LISHMAN. When did he tell you that?

Mr. REVSON. He told us that many times throughout the show, during the 3 years I was with the show.

Mr. LISHMAN. Did he ever say that at any of these meetings?

Mr. REVSON. Did he ever say it?

Mr. LISHMAN. Yes.

Mr. REVSON. He certainly did.

Mr. LISHMAN. Did anyone besides you ever hear him say that?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Who?

Mr. REVSON. George Abrams and Bill Mandell from Revlon, and representatives of the agency?

Mr. LISHMAN. Was Mr. Cowan, or was Mr. Koplin, or Mr. Carlin present when he made such statements?

Mr. REVSON. They certainly were. I don't know about Mr. Koplin. Mr. Koplin, as a matter of fact, I was amazed and surprised at his testimony yesterday, because at the meetings he hardly ever opened his

mouth. He was like a mouse at the meetings. All the information was directed to Mr. Carlin. He did all the talking. Any time a question was directed to Mr. Koplin he waived to Mr. Carlin for the production end and he waived to Mr. Fleischmann for the business end of the meeting.

Mr. LISHMAN. These weekly meetings—I began by asking you what the primary purpose of holding them was—isn't it a fact that the primary purpose of these meetings was to discuss methods of keeping the ratings high on the show, the "\$64,000 Question," or "Challenge"?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Did you not as a vice president of Revlon, Inc., closely follow the ratings?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. At these weekly meetings is it true that there was a chart prepared by Revlon on the wall?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. And that chart showed the contestants who were on the program at the time?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. And it showed the audience appeal or the ratings of each show?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Would you discuss with Mr. Koplin, or not with Mr. Koplin but with Mr. Carlin and Mr. Fleischman, and the advertising agency representative present, whether the individual contestants were exciting enough?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Would you also go over newspaper clippings relating to their popularity?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. As contestants?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. And then would you discuss whether or not the contestant was measuring up to the situation, in view of the ratings that were attending his appearance on the show?

Mr. REVSON. Rephrase that question.

Mr. LISHMAN. Would you then discuss whether or not a contestant should continue on the show because his ratings were high?

Mr. REVSON. No, sir.

Mr. LISHMAN. Never?

Mr. REVSON. Never.

Mr. LISHMAN. Would you ever discuss that you must get rid of a contestant because the ratings were low?

Mr. REVSON. No, sir.

Mr. LISHMAN. You made no suggestion to the producer in connection with any contestant that he must either go or continue on the program?

Mr. REVSON. No, sir.

Mr. LISHMAN. Didn't you understand that some controls were being used on this show by the producer?

Mr. REVSON. Absolutely not. If we had understood any controls were being used on the show, I can assure you we would have dropped the show at once.

Mr. LISHMAN. Didn't you understand that possibly the producer would control the show to the extent of asking either a hard question or an easy question, depending upon the result he desired to achieve?

Mr. REVSON. Absolutely not. It was our understanding that these questions were made up by Dr. Bergen Evans.

Mr. LISHMAN. Where did you get that understanding?

Mr. REVSON. We were told by the producers.

The CHAIRMAN. Have you learned different now?

Mr. REVSON. I have learned by the testimony yesterday, Mr. Chairman. I said before I was shocked and surprised to hear the testimony of Mr. Koplin yesterday, that he made up the questions and not Prof. Bergen Evans.

The CHAIRMAN. He said he participated, he helped?

Mr. REVSON. Yes. I didn't even know he had anything to do with the questions. I was amazed to hear his testimony on that score yesterday.

Mr. LISHMAN. Mr. Revson, did there come a time when the weekly memorandum outlining the substance of the meetings was discontinued?

Mr. REVSON. I heard this in testimony yesterday or a statement made by Mr. Koplin. I don't know which memorandum he refers to. Many memorandums came across my desk, and some of the memorandums were not accurately reporting what transpired at the meetings. I remember on one occasion I got George Abrams on the phone and I was quite upset. I said, "What is going on around here? People come to me and they editorialize, and we should not have this kind of report because of that. We want a true recording of what goes on at the meeting, and not somebody's editorial opinion."

Mr. LISHMAN. Did you order the memorandum discontinued?

Mr. REVSON. I don't recall. It is my impression at this moment that the memorandums continued because I do have, not with me at the moment, but I do recall when Warwick came on the account they made memorandums of the meetings.

Mr. LISHMAN. Did there come to the attention of Revlon, either through you or anyone else among its officials, a memorandum which outlined crudely and bluntly what steps should be taken on the next show with regard to keeping on or disposing of a contestant?

Mr. REVSON. That is the memorandum that has been discussed and which I don't recall. If you have the memorandum, I would like to refresh my memory with it.

Mr. LISHMAN. I am asking you if you recall that there ever was such a memorandum?

Mr. REVSON. No, I don't recall that there ever was such a memorandum like that.

Mr. LISHMAN. Do you recall that after receiving such memorandum it was then decided that there should be no more weekly memorandums of these meetings?

Mr. REVSON. First of all, I just said I don't recall that there was any such memorandums. I recall there were a number of memorandums that didn't truly record what went on at the meeting. They were editorial opinions by the writer.

The CHAIRMAN. Who was the writer?

Mr. REVSON. In the particular instance, do you want his name? Al Ward, of B.B.D. & O.

The CHAIRMAN. Who was generally the writer?

Mr. REVSON. When B.B.D. & O. was on the account, Al Ward did the reporting.

Mr. LISHMAN. What function did Mr. George Abrams have with Revlon, Inc.?

Mr. REVSON. He was vice president in charge of advertising.

Mr. LISHMAN. Was he vice president in charge of advertising during the period that Revlon sponsored the "\$64,000 Question" and "Challenge"?

Mr. REVSON. I believe he came with Revlon in August, 1955, and he was with Revlon after I left the company. So that would be the period he would have been working on the "\$64,000 Question" and the "\$64,000 Challenge" shows.

Mr. LISHMAN. Is it a fact that he attended the weekly meetings that have just been discussed?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. How did he participate in these meetings?

Mr. REVSON. He offered suggestions.

Mr. LISHMAN. What kind of suggestions?

Mr. REVSON. Any kind of suggestions in accordance with what I just stated before.

Mr. LISHMAN. Would he offer suggestions with regard to what steps might be taken to better your ratings?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Would he ever discuss as to what contestants should be continued on the show?

Mr. REVSON. No, sir.

Mr. LISHMAN. Would he ever join in any discussion as to what contestant should be disposed of on the show?

Mr. REVSON. I said before, Mr. Lishman, we never had such discussions.

Mr. LISHMAN. Would he join in discussions as to the garb that should be worn, let us say, by the commercial announcer?

Mr. REVSON. The commercial announcer had nothing to do with the program.

Mr. LISHMAN. Or any of the contestants?

Mr. REVSON. I would say so, yes. He would have an opinion on that.

Mr. LISHMAN. Now, Mr. Revson, you have said that B.B.D. & O., or for them, a Mr. Albert Ward used to make these memorandums which were circularized.

Mr. REVSON. Yes, sir.

Mr. LISHMAN. I show you a paper dated June 8, 1955—

Mr. REVSON. June 8, 1955. Albert Ward was not on the account. Norman Craig & Kummel were handling the account.

Mr. LISHMAN. I will show you this paper.

Mr. REVSON. June 8, 1955. It says so, doesn't it?

Mr. LISHMAN. Yes, sir.

Mr. REVSON. It is wrong, though. How could that be?

Mr. LISHMAN. I am asking you.

Mr. REVSON. Let me see. Maybe I can associate it. I have not read this memo, but my thinking was this here. B.B.D. & O. might have had—

The CHAIRMAN. Let us identify that first. What is it?

Mr. REVSON. Oh, yes. This is the June 8, 1955, and it is written by Albert Ward to Bob Foreman who was his superior at the agency.

The CHAIRMAN. Is it a memorandum or a letter or what?

Mr. REVSON. It seems to me like a memorandum because it is an interoffice memorandum of which we had a copy, and the subject happens to be Revlon.

The CHAIRMAN. Does it happen to be a memorandum of what took place at a meeting?

Mr. REVSON. I have not read the memorandum, sir. Do you want me to read it?

The CHAIRMAN. I want it identified.

Mr. REVSON. I am willing to identify it as a memorandum of two people in B.B.D. & O., and the subject happens to be Revlon.

The CHAIRMAN. That is part of your files?

Mr. REVSON. Yes; it is.

The CHAIRMAN. All right.

Mr. REVSON. Anything else. I would like to say this here. They were not on the account on June 8, because Norman Craig & Kummel were handling the show. It seemed to me they were handling some of our other business, and attending the shows they may have made some suggestions regarding the show. Since I have not read the memorandum, would you please inform me if that is so? I believe those are suggestions that B.B.D. & O. made to us, even though they were not working on the show.

Mr. LISIMAN. They are suggestions and comments on proposals that were made as to how the show was to be conducted.

Mr. REVSON. Yes. They were not working on the show officially, but they were working on some of our other products.

Mr. LISIMAN. I would just like to read this memorandum into the record, because it indicates the advertising company that is going to take up this account and they are giving their comments on the manner in which it should be—the "\$64,000 Question" should be—presented over the airways.

The CHAIRMAN. Yes. Make it very clear that these were comments that were written up and put in the files and in the possession of Revlon. Is that true?

Mr. REVSON. Yes, sir.

The CHAIRMAN. Revlon had the information contained in this included in your files for your information?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. This is a memorandum to Bob Foreman from Albert Ward, dated June 8, 1955, with the word, "Revlon" underneath the date.

From what I could see behind two monitors, one orchestra conductor, two announcers, three microphone booms, the live viewing of "\$64,000 Question" would not thrill me much. From what I could see on the monitor, I would assume that the person listening at home might have had a pretty suspenseful half hour of it. I would say advertisers and show business are getting to sound too rich and maybe a little offensive in their wealth. I think this element and the way it is handled can be held down. I think the business of having the manager of a New York bank flanked by two of New York's finest has a slight ring of a plugged nickel. The two contestants were possibly a little too good looking and a little too bright for the real good of the show. Granted an opening night may need a little bit of rigging to make it come off properly, but

we have to realize that we are getting an awful close look on the home screen, and nothing will make Revlon look worse than if the public thinks there is some kind of trickery going on behind the scenes.

Hal March was a very good and a very fine choice. He was glib, affable and alert. I am sure when the occasion arises he can be sardonic enough to keep the public liking him for a long spell. I don't think the scenery has the necessary look of elegance. If it is possible to give away over \$64,000 in one night, then I think the set should look a little bit more elegant. I felt it looked a little bit like Akron Little Theater. The main title lacks styling which is part and parcel of the whole Revlon concept. The commercial should also give the public an awareness of the Revlon look. Possibly we could be instrumental in developing this look or trademark for the whole show. It just seems to me that all Revlon is concerned with has to do with styling, quality, and beauty. As usual I have carped maybe too much about changes that could be made. I would like to end by saying I think the show has wonderful show elements. I am sure it will have a big public and has all the earmarks of ratings well up in the thirties. I would think the opportunities for prompting this is as great as it was when Phil Baker used to play his accordion, and he was only giving away hairpins. As I heard Lou Cowan say after the show, when he completed a phone call, 'Fellows, we are in.' That was Gitlin on the phone.

(Initials) A.W.

Now, after you had received this news that there may have been a little bit of rigging on the show, did you look into it?

Mr. REVSON. A little bit of rigging? He didn't mean any "rigging" in the sense that the word is used today. The show just opened the previous night. He was not talking about that. He was using the word very loosely and not the way the word "rigging" is used today in connection with the shows.

The CHAIRMAN. Explain in what sense he was using it.

Mr. REVSON. I gathered from the memorandum that he meant that it looked like kind of peculiar the way some of these contestants looked, that they were too glib and so forth. That is all. He had no thought about any rigging as the word "rigging" is used in connection with quiz shows.

Mr. LISHMAN. What did he mean when he said that nothing will make Revlon look worse than if the public thinks there is some kind of trickery?

Mr. REVSON. He meant just what he said there, I guess. He was being very frank and open. I see nothing wrong in that.

Mr. LISHMAN. Why did you have the manager of a New York bank bring in these questions?

Mr. REVSON. Well, first of all, the bank's function, which was announced many times on the show, was to be a storage place for the questions.

Mr. Moss. Mr. Chairman.

The CHAIRMAN. Mr. Moss.

Mr. Moss. I would like to pursue this matter of the use of the term "rigging."

How do you know what he meant? Did you ask him?

Mr. REVSON. I never even considered asking him what he meant by that, sir, because there was no need to ask him. The word "rigging" had never been used in terms of shows before and it was just a common ordinary statement. We didn't even discuss that because there was no basis for discussing that.

Mr. Moss. You just automatically ruled out any possibility, however remote, that any 'rigging,' in the term which I would take it, had occurred?

Mr. REVSON. Yes, sir.

Mr. MOSS. Because I would regard "rigging" as "fixing."

Mr. REVSON. I would, too.

Mr. MOSS. But you did not so regard it?

Mr. REVSON. I would regard it today as "fixing" in view of the way the word is used in the papers and in connection—at this time, no.

Mr. MOSS. I have always regarded it as "fixing."

Mr. REVSON. No, not at that particular time, no. There was no discussion about any of those things. Here the show had opened the previous night.

Mr. MOSS. Here is a memorandum from your files which says that a "little rigging"—I take it the connotation of rigging then and now is basically the same. You determined that it was not in any way a case of fixing, but you did not inquire of the writer of the memorandum as to what connotation he might place on the word?

Mr. REVSON. First of all, when this memorandum was written—I don't recall the exact discussion that took place about the memorandum, but I know we had a big meeting discussing the whole show. We probably did discuss that memorandum.

Mr. MOSS. Did you discuss "rigging"?

Mr. REVSON. I can't say that we honestly discussed that particular word; no, I can't, because it never entered into our mind that this show was rigged. We were sold on this show by an honest man, Lou Cowan. At that time he was the one who personally ran the show.

Mr. MOSS. I will pursue this a little further a little later.

Mr. LISIMAN. Mr. Revson, what was the name of the bank that was used on the show?

Mr. REVSON. Manufacturers Trust Co.

Mr. LISIMAN. Is that Revlon's bank?

Mr. REVSON. One of Revlon's banks: yes, sir.

Mr. LISIMAN. Did Revlon suggest the use of the bank?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. Are you presently a stockholder in Revlon, Inc.?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. Substantial stockholder?

Mr. REVSON. It depends upon what you mean by "substantial." I have a considerable amount of stock. My family does.

Mr. LISIMAN. So your interest in Revlon did not cease when you terminated employment with it, is that correct?

Mr. REVSON. It did cease at my termination. I resigned as a director of the company. I have no association whatsoever with the company today. I have never visited the offices since my resignation from the company.

Mr. LISIMAN. Is Mr. Charles Revson the president of the company?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. And he is your brother?

Mr. REVSON. Yes, sir.

Mr. LISIMAN. Did he ever attend any of these weekly meetings?

Mr. REVSON. Infrequently. He used to come in at the tail end of the show, at the tail end of the meeting.

Mr. LISIMAN. How would he participate in the meeting?

Mr. REVSON. Well, he would say that we ought to have a more interesting show, that it was slow paced, or some of the contestants were not in the category or as good categories as we should have. In other words, we should get more categories for the show. We should get more and more interesting and picturesque contestants.

Also, he made a couple of suggestions regarding a new format for the show, going to higher plateaus on the show, from \$64,000 to \$128,000, and possibly to \$256,000. These were some of the suggestions he made.

Mr. LISHMAN. Mr. Revson, did you have any contact with representatives of the CBS network in connection with either the "\$64,000 Question" or the "\$64,000 Challenge"?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Whom did you see there?

Mr. REVSON. Well, once in a while I would see the president of CBS television. I can't think of his name. On three occasions.

Mr. LISHMAN. Is that Mr. Cowan?

Mr. REVSON. No, no. He was not the president of CBS television at that time. I don't recall his name.

Mr. LISHMAN. Who else?

Mr. REVSON. Mr. William Paley, the chairman of the board of CBS.

Mr. LISHMAN. Are any officials of CBS on the board of Revlon?

Mr. REVSON. No, sir.

Mr. LISHMAN. Have they ever been?

Mr. REVSON. No, sir.

Mr. LISHMAN. Did any representative of the CBS ever contact you with regard to whether or not controls were being used on the "\$64,000 Question" or "Challenge"?

Mr. REVSON. No, sir.

Mr. LISHMAN. Did any representative of the Federal Trade Commission ever contact you or Revlon on this matter?

Mr. REVSON. No, sir.

Mr. LISHMAN. Did any representative of the Federal Communications Commission ever contact you or any official of Revlon with regard to the "\$64,000 Question" or "Challenge"?

Mr. REVSON. Nobody ever contacted me that I recall.

Mr. LISHMAN. Did the producers ever deny to you that controls were being used on this show?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. When?

Mr. REVSON. On three different occasions I brought up before a meeting the use of controls and they were denied by Mr. Fleischmann and Mr. Carlin. One time I had looked at the "Twenty-one" show and saw what went on there, and I thought that it was dramatically set up and it seemed kind of peculiar that this particular contestant missed a question and the other contestant missed a question.

I said I was glad that none of these hanky-pankies went on in our show. I was assured by the producer and president of EPI that none of these things went on in the "\$64,000 Question" or the "\$64,000 Challenge" show.

Mr. LISHMAN. Will you name the persons who made the denials?

Mr. REVSON. Yes, sir.

Harry Fleischmann and Steve Carlin.

Mr. LISHMAN. Will you state the approximate date when they made such a denial?

Mr. REVSON. I don't recall the approximate date. It seems to me it was in the early stages of Van Doren being on the show.

Mr. LISHMAN. Did they ever make subsequent denials to you?

Mr. REVSON. They certainly did.

Mr. LISHMAN. About when?

Mr. REVSON. In April 1957, when the Time article appeared, we made a big fuss about it at the meeting. Also, at the same time the World Telegram article appeared. The World Telegram television editor or writer, Harriet Van Horn, wrote a series of articles and after an interview with Joe Cates, the former producer of the "\$64,000 Question" show in which he quoted Joe Cates, saying there were controls on that show. I think she used that word.

We brought up this subject immediately. They denied it. Mr. Carlin denied it and Mr. Fleischmann denied it. They said Joe Cates is a disgruntled employee and he is a sore loser and he should not be shooting off his mouth because he had nothing to shoot his mouth about.

I suggested, why didn't they take it up with the World Telegram and take it up with the editor. They said they would consider it with the public relations people.

I brought up the matter a second time. I had George Abrams pursue it.

Mr. LISHMAN. Did he make a report to you concerning this?

Mr. REVSON. Yes, they said they decided—

Mr. LISHMAN. Did Mr. Abrams make a report to you concerning this matter?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Was it in writing?

Mr. REVSON. No, he called me on the telephone in the office.

Mr. LISHMAN. Do you have anything in writing to this denial that you have just testified to?

Mr. REVSON. No, I don't think we have anything in writing.

Mr. LISHMAN. Were there any other denials besides the two you mentioned?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. When was the third denial?

Mr. REVSON. It was in conjunction with the show EPI produced, the "Big Surprise." We claimed that "Big Surprise" was a direct copy of the basic elements of the "\$64,000 Question." We claimed they had no right to produce such a show as the "Big Surprise." We even went so far as to say that we were going to start a legal action against them.

It came to our attention that two contestants who applied for the "\$64,000 Question" show were put on the "Big Surprise" show.

It also came to our attention that a certain contestant on the "Big Surprise" show received questions or answers, or both.

We brought this up at the meeting and they told us that the "\$64,000 Question" show was handled entirely separately from the "Big Surprise," had a different staff, and anything that may have happened on the "Big Surprise" absolutely could not have happened on the "\$64,000" show.

We withdrew our—well, we didn't go through with the lawsuit.
Mr. LISHMAN. What was the approximate date of this denial?

Mr. REVSON. I don't recall, sir.

Mr. LISHMAN. It was sometime while the "Big Surprise" was on?
Mr. REVSON. That is correct, sir.

Mr. LISHMAN. Was there any subsequent denial by Mr. Fleischmann or Mr. Carlin that they had used controls on the "\$64,000 Question" and "Challenge" made to you?

Mr. REVSON. I gave you the Twenty-one incident; I gave you the Time; I gave you the World Telegram; I gave you the "Big Surprise." Those are the four incidents that I remember. I don't recall at the moment any other incidents.

Mr. LISHMAN. On any occasion did you or anyone connected with Revlon require that the producers give you a written report concerning the controls used on these programs?

Mr. REVSON. No, sir; because they said there were no controls on the show.

Mr. LISHMAN. All this was done orally?

Mr. REVSON. That is correct, sir.

Mr. LISHMAN. Where did these oral denials take place?

Mr. REVSON. Right in my office.

Mr. LISHMAN. Was anyone else present when these denials were made?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Did they hear the denials?

Mr. REVSON. Yes, sir.

Mr. LISHMAN. Will you name those persons?

Mr. REVSON. It would have been representatives of our own company, representatives of the agency.

Mr. LISHMAN. Can you name them by name?

Mr. REVSON. No. The reason I can't is because I have to think of the dates. April 1957, I could.

Mr. LISHMAN. April 1957.

Mr. REVSON. I could name the dates there because the agency, if it was B.B.D. & O. at the time, it would have been Bob Foreman, he attended most of the meetings, and Al Ward. From Revlon it would have been George Abrams and Bill Mandel.

Mr. LISHMAN. Who is Mr. Mandel? What is his function?

Mr. REVSON. Mr. Mandel—what is his function today?

Mr. LISHMAN. At that time.

Mr. REVSON. At that time he was advertising manager. That was his official title.

Mr. LISHMAN. On any of these other occasions, you don't recall the names of the persons who were present and heard these denials by Mr. Fleischmann and Mr. Carlin?

Mr. REVSON. I would say probably the same group. When I brought them up, the agency was there. From Revlon it would have been the same group. From EPI it would have been the same group.

Mr. LISHMAN. I have no further questions, Mr. Chairman.

The CHAIRMAN. Mr. Revson, I have been trying to analyze your statement. I am impressed with the fact that you first wanted to make it very clear that you came down here voluntarily to testify. For that cooperation we want to thank you.

Mr. REVSON. Thank you, Mr. Chairman.

The CHAIRMAN. Second, apparently you wanted an opportunity to make it very clear and definite, that you had nothing whatsoever to do with, and knew nothing whatsoever about, any of the contestants having been given assistance.

Mr. REVSON. That is correct.

The CHAIRMAN. In answering their questions on these important shows.

Mr. REVSON. That is correct, sir.

The CHAIRMAN. And, third, to explain that you depended upon the producers for the actual production, and it was their job to select contestants, to determine when that contestant would appear on the show, and what the category would be of the contestant.

Mr. REVSON. Yes, sir.

The CHAIRMAN. That was your responsibility.

Mr. REVSON. Yes, sir.

The CHAIRMAN. As I interpret your statement, you then go further to state that other than the selection of contestants and their part on the program, you and your organization wanted to be very definite as to what kind of format the entire show should take otherwise.

Mr. REVSON. Yes, sir.

The CHAIRMAN. That is with respect to the appearance and so forth, to make it a very attractive show to all of the people. All these elements were necessary to make up the kind of a show that you felt your company was paying for.

Mr. REVSON. That is an accurate description.

The CHAIRMAN. Now having so interpreted your statement, to which you agree, how much did this show cost you?

Mr. REVSON. Depending upon the number of stations we had, the time ran around at the outset, average, I believe the first year, somewhere between \$40,000 and \$50,000 a week for a half hour. Depending on the number of stations.

The CHAIRMAN. Did you pay the producer on a weekly basis?

Mr. REVSON. No. There was a settlement period.

The CHAIRMAN. A what?

Mr. REVSON. A settlement period. I don't recall whether it was quarterly or every 6 months, but we didn't pay obviously the producer for the time. The time charges went directly to the network. If I recall correctly—

The CHAIRMAN. Wait just a minute, now. It went directly to the network. You did have an agency, didn't you?

Mr. REVSON. Yes.

The CHAIRMAN. That would be B.B.D. & O.?

Mr. REVSON. Yes.

The CHAIRMAN. Were you contracted with the networks on this or with the produced on this?

Mr. REVSON. If I may explain, sir.

The CHAIRMAN. All right.

Mr. REVSON. Time is contracted with the network through the agency.

The CHAIRMAN. The time?

Mr. REVSON. Yes, the time.

The CHAIRMAN. All right.

Mr. REVSON. We paid the agency which in turn paid the network for the time. For the package, the cost of the show itself, which was produced by EPI, we paid the producer for that, whether it was through the agency I don't recall, or whether it was direct. We paid the producer for that.

The CHAIRMAN. Did you pay the producer per week or per month or per year?

Mr. REVSON. I don't really know that detail, whether it was weekly, monthly, or quarterly. I really don't know.

The CHAIRMAN. You had a contract with the producer, didn't you?

Mr. REVSON. Oh, we certainly did.

The CHAIRMAN. How much did that contract call for?

Mr. REVSON. In time, how long a period of time?

The CHAIRMAN. And money. First, time.

Mr. REVSON. I think the first agreement was for 13 weeks, a renewal for 13 weeks, and then 26 weeks. That completed the first year. The second year was for a full year and the third year for a full year.

The CHAIRMAN. What did you pay?

Mr. REVSON. There was a sliding scale. I don't have the figure at my command, but it seems to me it was in the \$20,000's something. Whether it was \$22,000 or \$24,000 for the show, plus the MC. That would be it, I guess. That is about it, yes.

The CHAIRMAN. Is there any particular secret what you paid them?

Mr. REVSON. Oh, no. It is a matter of record. We have the records we would be happy to—let me put it this way, because I don't remember the exact figures. With the commercials and everything else, I figured the show cost us weekly, time, payments to the producer, and the commercials, about \$75,000 to \$80,000 a week. I think it was around that.

The CHAIRMAN. How much of that \$75,000 to \$80,000 a week was paid for awards?

Mr. REVSON. I think about \$15,000 was set aside for the awards.

The CHAIRMAN. A week?

Mr. REVSON. Yes, sir.

The CHAIRMAN. Did you hold that in your own hands or did that go to the producer?

Mr. REVSON. The producer held it.

The CHAIRMAN. If the producer went over \$15,000 a week cumulative, then he had to stand the loss?

Mr. REVSON. I believe so. I am not positive of that. I believe so, yes.

The CHAIRMAN. If he did not spend the \$15,000 a week, cumulative, then he got what was left?

Mr. REVSON. No, he returned the money.

The CHAIRMAN. He returned the money?

Mr. REVSON. That is correct, sir.

The CHAIRMAN. It does not seem natural and a normal thing to me, if he returned what he had left; it seems to me if he went over he would call on you for more.

Mr. REVSON. If he went over—it never happened that I recall.

The CHAIRMAN. It didn't happen that way?

Mr. REVSON. It always happened that there was extra money left that I recall. However, we did supply him more money when we went to higher plateaus.

The CHAIRMAN. Was someone very careful to be sure they didn't go over the amount that was allocated?

Mr. REVSON. Harry Fleischman, the president of EPI, took that upon his personal responsibility to follow.

Steve Carlin, the executive producer, had nothing to do with that. He had nothing to do with the accounting of the business.

The CHAIRMAN. Do you know Mr. George Abrams?

Mr. REVSON. Oh, yes, sir.

The CHAIRMAN. He was associated with you?

Mr. REVSON. Yes, sir.

The CHAIRMAN. What was his job?

Mr. REVSON. Vice president in charge of advertising.

The CHAIRMAN. Mr. Lishman asked you about his memorandum of weekly meetings. I do not want to belabor the point, or go over anything again, but I did want to ask you two or three questions on that. There were these memorandums referred to?

Mr. REVSON. There were what, sir?

The CHAIRMAN. These memorandums referred to each week of your meetings?

Mr. REVSON. What is the question, sir?

The CHAIRMAN. I say there were memorandums made each week of these meetings that you described?

Mr. REVSON. Yes, sir.

The CHAIRMAN. And you knew about it?

Mr. REVSON. Yes, sir.

The CHAIRMAN. You had a copy of them each week, did you not?

Mr. REVSON. I would say so; yes, sir.

The CHAIRMAN. Naturally they were of sufficient importance to you for you to familiarize yourself with them?

Mr. REVSON. No, sir.

The CHAIRMAN. They were not?

Mr. REVSON. No, sir.

The CHAIRMAN. You were familiar with what went on at the meetings?

Mr. REVSON. That is correct.

The CHAIRMAN. You did not have to read them?

Mr. REVSON. That is correct, sir.

The CHAIRMAN. These meetings, if anything came up in them which was unusual, that may have suggested something was going on, that would have attracted your attention had it happened, would it not?

Mr. REVSON. It would attract my attention?

The CHAIRMAN. Yes.

Mr. REVSON. Yes, it would attract my attention.

The CHAIRMAN. You would not overlook something as important as that?

Mr. REVSON. If it was real important, no, I would not overlook it.

The CHAIRMAN. Did I understand you to say the memorandums referred to, were to be circulated among the officials of the companies involved? Was that the purpose of them?

Mr. REVSON. They were to be circulated to the individuals who attended the meeting.

The CHAIRMAN. Only to the individuals who attended these meetings?

Mr. REVSON. That is correct, sir.

The CHAIRMAN. Mr. Abrams was one of those individuals?

Mr. REVSON. Yes, sir.

The CHAIRMAN. You were one of them?

Mr. REVSON. Yes, sir.

The CHAIRMAN. Occasionally your brother, Mr. Charles Revson, would attend, would he not?

Mr. REVSON. At the end of the meeting. He never attended a full meeting that I recall.

The CHAIRMAN. He would come into some of the others?

Mr. REVSON. Yes, sir.

The CHAIRMAN. Would Mr. Steve Carlin attend those meetings?

Mr. REVSON. Yes, sir.

The CHAIRMAN. I believe you testified a little while ago that Mr. Mert Koplin would attend the meetings?

Mr. REVSON. Not all of them. He attended many of them.

The CHAIRMAN. Would there be representatives of the advertising agency there?

Mr. REVSON. Yes, sir.

The CHAIRMAN. Was that Norman, Craig & Kummel?

Mr. REVSON. When Norman, Craig & Kummel had the account; yes, sir.

The CHAIRMAN. Later was it Warwick & Legler?

Mr. REVSON. Before Warwick & Legler it was B.B.D. & O. I think C. J. LaRoche was there part of the time, too. That is the present agency of Revlon. B.B.D. & O. and Warwick & Legler.

The CHAIRMAN. Do you recall that time that a particular memorandum was circulated that caused a great deal of dissension or discussion?

Mr. REVSON. That is the memorandum in question. I don't recall the contents of the memorandum. I recall a memorandum, yes, but I don't recall the contents of the memorandum.

The CHAIRMAN. You do recall such a memorandum that did cause some discussion?

Mr. REVSON. Yes, sir.

The CHAIRMAN. You do recall the incident and the memorandum?

Mr. REVSON. I remember the incident.

The CHAIRMAN. Did you see the memorandum?

Mr. REVSON. Yes, sir.

The CHAIRMAN. Did you read the memorandum?

Mr. REVSON. Yes, sir.

The CHAIRMAN. Did that memorandum have in it any statement to the effect that a decision had been made that a certain match would end next week?

Mr. REVSON. I can't say that because I don't remember what was in the memorandum.

The CHAIRMAN. You remember the memorandum?

Mr. REVSON. I don't remember that particular memorandum, but I remember this, sir—

The CHAIRMAN. You just said you did?

Mr. REVSON. May I say this, sir—

The CHAIRMAN. I want you to get it clear.

Mr. REVSON. I will try to make it clear.

I remember an incident over a memorandum. That is what I remember. I remember calling George Abrams on the telephone—on the interoffice phone—and explaining to him that these memorandums, this particular one after many others, wherein the reporting was inaccurate of what happened at the meeting and editorialized by the writer. I remember that.

The CHAIRMAN. But you do not remember any statement contained in the memorandum, that you remember about?

Mr. REVSON. No, sir; I don't.

The CHAIRMAN. To the effect that a certain match would end next week?

Mr. REVSON. No, sir.

The CHAIRMAN. Do you remember information in that memorandum to the effect that another contestant would advance to another plateau on the "Question" show?

Mr. REVSON. No, sir.

The CHAIRMAN. Do you remember this memorandum or such a memorandum, that was translated into plain language of what had been the general purport of the meeting?

Mr. REVSON. No, sir.

The CHAIRMAN. Did you recall that you became upset over that memorandum?

Mr. REVSON. Yes, sir.

The CHAIRMAN. You were upset over it and what it contained?

Mr. REVSON. That is right, sir.

The CHAIRMAN. Did you order then and there that there would be no more memorandums?

Mr. REVSON. I believe I said that this type of memorandum has to stop.

The CHAIRMAN. You did not want to be bound by it?

Mr. REVSON. I didn't want to be what?

The CHAIRMAN. Bound by it.

Mr. REVSON. I did not want to be bound by it?

The CHAIRMAN. Yes.

In other words, you did not want to be held to its contents?

Mr. REVSON. I didn't believe that the contents, whatever they were, truly reflected what went on at the meeting. It was just one man's opinion. It did not only happen in that memorandum, but in other memorandums. This was the climax with that memorandum.

The CHAIRMAN. Did you state it was a foolish thing to put this sort of information down on paper?

Mr. REVSON. No, sir.

The CHAIRMAN. You did not say that?

Mr. REVSON. No, sir.

The CHAIRMAN. Was there, at any time, a decision made in these meetings that there should be more losers on the "Question" show?

Mr. REVSON. We said that the questions were too easy on certain plateaus. If I recall correctly, we had reference to the \$4,000 plateau. The question should be stiffer in all categories. It didn't refer to any particular contestants. It just referred to the plateau in any kind of a category that was given.

The CHAIRMAN. Referred to the basis that they carried it out on, the basis of what you thought should be the harder questions to cause them to lose?

Mr. REVSON. We stated that beginning with the \$4,000 question in any given category the questions should be stiffer than they were.

The CHAIRMAN. In other words, stiff enough to make them lose?

Mr. REVSON. Stiff enough to make a contest. Yes, this is how it came to our attention.

The CHAIRMAN. Then when that decision was made, would you then expect the producers to carry it out?

Mr. REVSON. If they accepted it, yes; and they did accept it at that time. They thought that stronger questions should be written at the \$4,000 plateau and they were transmitted to Bergen Evans.

The CHAIRMAN. You say Dr. Evans prepared the questions?

Mr. REVSON. Yes, sir; as far as I know. I was told he prepared the questions.

The CHAIRMAN. You did not have any communication with Dr. Evans?

Mr. REVSON. Never.

The CHAIRMAN. How did you get the word to him that these questions should be tougher and the contest should be keener?

Mr. REVSON. Through the producers.

The CHAIRMAN. Which one of the producers? Mr. Carlin or Mr. Koplin?

Mr. REVSON. No, Mr. Carlin.

The CHAIRMAN. Mr. Carlin?

Mr. REVSON. Yes, sir.

The CHAIRMAN. You do not know of your own knowledge, then, that Dr. Evans actually prepared the questions?

Mr. REVSON. No, sir; only from what I was told, he prepared the questions.

The CHAIRMAN. You never had any contact or communication with Dr. Evans at all?

Mr. REVSON. Never.

The CHAIRMAN. You did not know that Mr. Koplin prepared some of the questions?

Mr. REVSON. Absolutely not.

The CHAIRMAN. Did you know Shirley Bernstein?

Mr. REVSON. If I met her it was so slight that I do not recall it. She never attended a meeting.

The CHAIRMAN. Did you ever know that she had a great hand in preparing the questions?

Mr. REVSON. No, sir.

The CHAIRMAN. This is something that the producers never told you about?

Mr. REVSON. That is correct, sir.

The CHAIRMAN. Mr. Bennett, do you have any questions?

Mr. BENNETT. Yes, I do, Mr. Chairman.

At these weekly meetings with the producers, did you discuss the ratings of the program?

Mr. REVSON. Yes, sir.

Mr. BENNETT. That was a very important part of your discussion, was it not?

Mr. REVSON. The ratings reflected the audience reception to the show, in our opinion.

Mr. BENNETT. That, of course, whether the rating was good or bad, was directly related with the contestants that appeared on the show.

Mr. REVSON. We felt that way, sir.

Mr. BENNETT. So I would assume that you were discussing contestants.

Mr. REVSON. Yes, sir.

Mr. BENNETT. Who were presently on the program?

Mr. REVSON. Yes, sir.

Mr. BENNETT. Their worth and their value from the standpoint of audience appeal, which is the thing you were ultimately interested in?

Mr. REVSON. Yes, sir.

Mr. BENNETT. If a contestant in a particular week had raised the ratings of the program, would that not be a significant thing to you people?

Mr. REVSON. Yes, sir.

Mr. BENNETT. Would you not have some interest in seeing that that contestant stayed on the program or reappeared on the program?

Mr. REVSON. No, sir. We only hoped that he would be knowledgeable enough to continue.

Mr. BENNETT. You hoped he would be knowledgeable, but you also hoped he would stay on, did you not?

Mr. REVSON. Yes.

Mr. BENNETT. That would be a perfectly natural thing?

Mr. REVSON. Obviously, yes, sir.

Mr. BENNETT. Did you discuss with the producers the methods they used in screening these people?

Mr. REVSON. Yes, sir?

Mr. BENNETT. For a program?

Mr. REVSON. Yes, sir.

Mr. BENNETT. Were you familiar with the various tests they had which they called methods of control?

Mr. REVSON. No, sir.

Mr. BENNETT. Did you ever hear of the playback method of control?

Mr. REVSON. Never.

Mr. BENNETT. Or the area method of control?

Mr. REVSON. Never.

Mr. BENNETT. Have you heard of them since this investigation has been underway?

Mr. REVSON. Yes, sir. I was here yesterday afternoon.

Mr. BENNETT. Was Mr. Koplin's testimony all news to you on this subject?

Mr. REVSON. It certainly was.

Mr. BENNETT. What methods did you believe the producers were using in screening these contestants?

Mr. REVSON. Here is what they told us: that contestants would write in. They would choose the likely contestants, have the contestant telephone or they would telephone the contestant, throw some questions at the contestant on the telephone to see whether the contestant was a knowledgeable one. Have the contestant send in a pic-

ture. Whether they sent it in before the telephone interview, I don't recall. Then if the contestant was sufficiently interesting on the telephone, a personal interview would then be arranged.

Mr. BENNETT. In one of the memorandums that has been referred to here, specifically your meeting of March 21, 1957, there is this reference to one of the contestants. It says:

It was not decided as to how much longer Teddy Nadler would continue on the "Challenge."

Do you recall that particular discussion?

Mr. REVSON. Who is it by, B. B. D. and O.?

Mr. BENNETT. Yes. It is the confidential notes of your meeting of March 21, 1957.

Mr. REVSON. 1957?

Mr. BENNETT. It is a memo from Ward to you?

Mr. REVSON. I don't have that here.

Mr. BENNETT. Will you hand this to him?

(Mr. Lishman handed document to witness.)

Mr. REVSON. Yes, I see this. I see it.

Mr. BENNETT. Do you recall it?

Mr. REVSON. No, I don't recall it, sir.

Mr. BENNETT. You have no recollection of any discussion about how long Teddy Nadler would continue on the show?

Mr. REVSON. No, sir.

Mr. BENNETT. Did you read that memo when it was brought to you?

Mr. REVSON. I don't remember whether I read the memo. As I told the chairman, I didn't read many of these memos because I didn't think it was necessary to read them.

Mr. BENNETT. Would Mr. Ward put something in the memo that was not discussed?

Mr. REVSON. He shouldn't have. He put in his own personal opinions and used his own language.

Mr. BENNETT. Would he have put this language in there if that topic had not been up for discussion?

Mr. REVSON. I cannot answer that, sir.

Mr. BENNETT. Do you believe he would?

Mr. REVSON. I can't answer that because I have other memorandums which are worded differently from that one.

Mr. BENNETT. This is the memorandum of the meeting of March 21. Do you recall any of the other comments that are there in the memo? Is this the only one that is strange to you?

Mr. REVSON. A memo like this here I would not read. I would just take it and probably throw it away. I would just not read a memo like this that was three pages long.

Mr. BENNETT. In your statement, on page 5—look at your own statement which you read this morning—you are referring to these meetings and you say, "we discussed every detail, large and small."

Mr. REVSON. Yes, sir.

Mr. BENNETT. Do you regard this as a small detail?

Mr. REVSON. I certainly do not regard it as a small detail. No, when anything would happen in our discussions I must have considered it important, otherwise I would not have introduced the subject.

Mr. BENNETT. You were at this meeting of March 21, were you not?

Mr. REVSON. That would have to be determined, too, whether I was there. I don't recall whether I was there. I am not saying that I wasn't there. I don't recall.

That is a good point you brought up. Because some of these meetings I was not there. I was in Europe, I was in Hawaii, I was traveling throughout the country.

Mr. BENNETT. Was Teddy Nadler discussed at all at any of your meetings?

Mr. REVSON. Yes, sir.

Mr. BENNETT. How was he discussed?

Mr. REVSON. Mr. Steve Carlin, who took care of the production end of EPI, whenever he would talk about a good contestant he would say "This guy is loaded, loaded. He's got electricity." It meant two things. He was loaded with information and he should be able to go a long way on the show, and he had the kind of appeal that people were interested in.

Mr. BENNETT. Was Teddy Nadler one of those who raised the ratings of the show?

Mr. REVSON. I don't recall at the moment. He could be. I don't recall. I really don't.

Mr. BENNETT. You never had occasion to relate him to the meetings although he won more money on your program than any other contestant!

Mr. REVSON. We certainly did. We thought he was a good contestant because of the great knowledge of information.

Mr. BENNETT. You are not saying to me that you are not aware of the fact that he increased your ratings from week to week.

Mr. REVSON. I can't say that. I am not saying I didn't say it or it wasn't raised. I don't know. I would have to look at the ratings. A lot of times we had good contestants and the ratings didn't go up. I don't know what happened in this connection.

Mr. BENNETT. If this memo by Mr. Ward, which reports what was discussed at this March 21 meeting, is correct——

Mr. REVSON. If it is not right.

Mr. BENNETT. Let us assume it is correct for the purposes of this question.

If it is correct, then you were discussing at that meeting the length of time that a contestant should stay on the program, is that not true?

Mr. REVSON. We never discussed the length of time that a contestant would stay on the program.

Mr. BENNETT. If this memo is correct, that question was discussed, was it not?

Mr. REVSON. That would be an assumption; is that right, sir?

Mr. BENNETT. "It was not decided as to how long Teddy Nadler would continue on the 'Challenge'."

Mr. REVSON. That could mean many things. It could mean how much information he had, whether he had enough information to go for 32, 64, or 128. It could mean a lot of things. That is why I made the statement I did to you; I don't know what he had in mind when he wrote it. I say that to you sincerely and honestly. I don't know.

Mr. BENNETT. It could only mean, if you were to decide how long he could stay on the program, that you and the producers were controlling the time that he could stay on the program?

Mr. REVSON. I want to emphasize again, sir, that we never discussed how long a contestant could stay on the show. Never. I want to get that clear. We never discussed that.

Mr. BENNETT. Then what you are saying is that this memo by Ward of March 21 is incorrect?

Mr. REVSON. That is correct, sir. It is an incorrect report.

Mr. BENNETT. You say that even though this memo has been in your possession and has been made available to you? In fact, it was directed to you.

Mr. REVSON. Yes, sir.

Mr. BENNETT. Counsel gave you a note. Do you want to read that before you continue?

Mr. REVSON. Yes.

(Witness reading.)

Mr. BENNETT. Is counsel advising you to correct your answer?

Mr. REVSON. No, sir.

Mr. BENNETT. Do you want to correct it?

Mr. REVSON. No, sir. He just suggested that I read to you certain letters indicating that Revlon had no control, if you would like to hear them.

Mr. BENNETT. I don't want to hear them now. I want to ask you some questions about these memorandums. These memorandums were all in your files?

Mr. REVSON. I don't know. My personal file? That I can't answer.

Mr. BENNETT. Mr. Lishman showed you some memorandums. You didn't dispute or deny the authenticity of those, did you?

Mr. REVSON. You said were they in my personal file.

Mr. BENNETT. I mean under your control.

Mr. REVSON. Oh, yes, they were in the company files.

Mr. BENNETT. Let me refer to another memorandum of January 31, 1957. This is also by Mr. Ward to you. Do you have that before you?

Mr. REVSON. No, I don't have that here.

Mr. BENNETT. You don't have that?

Mr. REVSON. No, sir.

Mr. BENNETT. There is this reference at the bottom of the page:

There was a discussion of the possibility of having Nadler be the champion for the entire proceedings of as many shows as possible, having questions hurled at him continuously throughout the half hour by various contestants and various categories chosen. This would be on a continuing basis until such time as Nadler was defeated or opposing contestant was defeated. No decision was reached.

Do you recall that discussion?

Mr. REVSON. Yes, I do.

Mr. BENNETT. There is nothing wrong about that, is there?

Mr. REVSON. I don't see anything wrong, no.

Mr. BENNETT. You were going to have him challenge and be challenged in several categories?

Mr. REVSON. That is right. He even challenged Charles Van Doren.

Mr. BENNETT. That is a perfectly legitimate request for you to make, is it not?

Mr. REVSON. It sounds that way to me.

Mr. BENNETT. I agree.

Mr. REVSON. Yes.

Mr. BENNETT. You remember that?

Mr. REVSON. I do, sir.

Mr. BENNETT. But you don't remember the discussion that indicates that you would have something to say about how long he stayed on the program when you were discussing the matter 3 months later?

Mr. REVSON. No, sir.

Mr. BENNETT. Is Mr. Abrams one of your assistants?

Mr. REVSON. Yes, sir.

Mr. BENNETT. He left the company, did he not?

Mr. REVSON. Yes, sir.

Mr. BENNETT. Did he leave before you?

Mr. REVSON. No, sir.

Mr. BENNETT. He is a stockholder in the company?

Mr. REVSON. I don't know.

Mr. BENNETT. Are you still a stockholder in the company?

Mr. REVSON. Yes, sir.

Mr. BENNETT. Is he a capable, honest, dependable individual?

Mr. REVSON. I have always found him to be that.

Mr. BENNETT. What?

Mr. REVSON. I have always found him to be capable and honest.

Mr. BENNETT. He attended all these meetings with you, didn't he?

Mr. REVSON. Yes, sir.

Mr. BENNETT. If he contradicted your testimony here would that surprise you?

Mr. REVSON. I don't know what he said, sir.

Mr. BENNETT. If he contradicted it?

Mr. REVSON. What is that?

Mr. BENNETT. If he contradicted it, would you be surprised?

Mr. REVSON. The only way I can tell if you read the testimony of what he said.

Mr. BENNETT. Would he be one that you would suspect of not telling the truth under oath?

Mr. REVSON. No, absolutely not. He would tell the truth.

Mr. BENNETT. Pardon?

Mr. REVSON. He would tell the the truth, in my opinion, as he saw it. Yes; he would tell the truth.

Mr. BENNETT. Then let me refer you to a statement. Here is an affidavit which will be read in the record of these proceedings, I understand at a later time, by Mr. Abrams, in which he says in part as follows:

"The primary purpose of these meetings"—that is these weekly meetings—"was to discuss methods of keeping the ratings high or raising them."

That is true, is it not?

Mr. REVSON. That is one of the reasons, yes, sir.

Mr. BENNETT. "Charts were made which showed contestants then on the program and the audience draw while they were appearing."

Mr. REVSON. I can't hear sometimes. Would you please speak a little louder?

Mr. BENNETT. "Charts were maintained which showed the contestants on the program."

Mr. REVSON. Yes, sir.

Mr. BENNETT. "And the audience draw while they were appearing."

Mr. REVSON. Yes, sir.

Mr. BENNETT. "At these meetings we would discuss with the producers and the advertising agency whether individual contestants were interesting personalities."

Mr. REVSON. Yes, sir.

Mr. BENNETT. "Or dull or unexciting."

Mr. REVSON. Yes, sir.

Mr. BENNETT. "And what publicity appeal they had."

Mr. REVSON. Yes, sir.

Mr. BENNETT. "As indicated by newspaper clippings."

Mr. REVSON. Yes, sir.

Mr. BENNETT. "If the contestant was interesting, it was generally the consensus of opinion he should continue on the show."

Mr. REVSON. That we would like him to continue, yes, sir.

Mr. BENNETT. "If he was dull we would suggest to the producer that it would be desirable that the contestant not continue in the future."

Mr. REVSON. We never discussed it that way. We discussed that we should not have that type of contestant in the future.

Mr. BENNETT. You said you should not have him in the future.

Mr. REVSON. That type of contestant. We should not have that type of contestant in the future.

Mr. BENNETT. But you didn't say it was desirable that he be off the program?

Mr. REVSON. Not that specific because we had no control on that.

Mr. BENNETT. "We understood that the technique used for controlling the destiny of a contestant was to employ questions ranging from tough to easy, based on the producer's knowledge of the expertise of the contestant in certain areas within his chosen categories as determined in their screening operation."

Mr. REVSON. What about that, sir?

Mr. BENNETT. Is that true?

Mr. REVSON. That is his personal opinion. I don't agree with it, sir.

Mr. BENNETT. Is it true or not?

Mr. REVSON. No.

Mr. BENNETT. It is not true?

Mr. REVSON. No, sir.

Mr. BENNETT. "If a contestant or a match did not come out as we had suggested, the sponsor and agency representatives would be upset and expressed displeasure often in a very heated fashion."

Mr. REVSON. No, sir.

Mr. BENNETT. That is not true?

Mr. REVSON. No, sir.

Mr. BENNETT. "I have given you four specific examples of matches which resulted in either a dull contestant continuing on the show despite our desire that he not do so, or interesting personalities losing as opposed to our hope that they would continue."

Mr. REVSON. You want me to say something?

Mr. BENNETT. Would you comment on that?

Mr. REVSON. It is not true.

Mr. BENNETT. "The producers carried out the sponsor's wishes most of the time as suggested in these meetings."

Mr. REVSON. I can't say how many times they carried it out. If they felt like carrying it out, I would answer that they would carry it out. If they did not feel like carrying it out, they would not carry it out. I have memorandums here to substantiate what I say.

Mr. BENNETT. How could they carry it out unless they had some control?

Mr. REVSON. How did they carry it out?

Mr. BENNETT. How could they carry it out unless they had some control?

Mr. REVSON. We never discussed about that, contestants, whether they were going to continue or not continue, whether they were going to get off the show or not go off the show.

(Record read by the reporter.)

Mr. REVSON. I am talking about any suggestions we made. The question you asked me.

Mr. BENNETT. Yes.

Mr. REVSON. I stand on that.

Mr. BENNETT. You denied you suggested anything about contestants staying on the program?

Mr. REVSON. That is correct.

Mr. BENNETT. I will read further: "As stated, the primary purpose of the meeting was to keep the ratings high." That is true; is it not?

Mr. REVSON. Yes; one of the principal purposes of the meeting was to have an interesting show to keep the ratings high; yes, sir.

Mr. BENNETT. Or to raise them.

Mr. REVSON. Yes, sir.

Mr. BENNETT. "And so consistent with this purpose a great deal of time was devoted to discussing the destiny of a contestant." Is that true?

Mr. REVSON. The use of the word "destiny" I disagree with. Discussing whether a contestant was knowledgeable enough to continue, that is correct, sir.

Mr. BENNETT. You only discussed the knowledgeability of the contestant. Is that the only thing you discussed about a contestant?

Mr. REVSON. No, sir; we did not.

Mr. BENNETT. Did you ever discuss his destiny?

Mr. REVSON. No, sir.

Mr. BENNETT. "It was always assumed that the producers would use the known control of a difficult or simple question within the specific areas of the contestant's expertise, within his category, as determined in intensive preliminary screening to regulate whether a contestant remained on or left the show."

Mr. REVSON. I knew nothing about that.

Mr. BENNETT. You never recall that being discussed?

Mr. REVSON. No, sir; absolutely not.

Mr. BENNETT. "Although we were unaware that the producers ever told the contestant the exact answers to the questions he was asked on the program, we did know that through intensive preliminary screening the producers found out what a contestant knew and asked him about it."

Mr. REVSON. That was at the original screening. We knew that the producers had in mind what the contestant knew; yes.

Mr. BENNETT. I thought you said you didn't know anything about that.

Mr. REVSON. At the original screening. At the original screening, sir. I will repeat again. As far as we knew, the producer had a telephone interview. Then if the contestant were interesting or was interesting, he was invited in, and that was the only interview we knew about, to probe the contestant whether he was going to appear on the program or not.

Mr. BENNETT. You asked them what they knew.

Mr. REVSON. Beg pardon?

Mr. BENNETT. You asked the producer what the contestant knew on the program.

Mr. REVSON. What specifically did you mean there, sir?

Mr. BENNETT. You got the information from the producer as to what the contestant knew, a particular contestant, whether he was smart, dumb, or what.

Mr. REVSON. That is correct. It was obvious if he was considered to be on a show he was smart enough to appear on a show.

Mr. BENNETT. "Memos were made of these meetings and later circulated. At one time a memorandum was circulated which in effect said bluntly that what had been decided was that a certain match would end next week and another contestant would advance to another plateau on the Question show."

Mr. REVSON. I know nothing about that, sir.

Mr. BENNETT. That was never discussed?

Mr. REVSON. I don't recall anything like that ever being discussed.

Mr. BENNETT. This whole affidavit deals with your discussions of controlling the time that a contestant would be on the program; is that not true?

Mr. REVSON. I have given to you the parts that I disagree with. I can't account for any such statement. I only know that I am telling you the truth as it existed.

Mr. BENNETT. You said Mr. Abrams was an honest man?

Mr. REVSON. Yes, sir; as far as I know, he is.

Mr. BENNETT. You do not believe that he would lie under oath?

Mr. REVSON. I don't know why he would make such statements as that.

Mr. BENNETT. These are pretty categorical statements about the influence that you people were exerting over the time that contestants would be on the show.

Mr. REVSON. I can't account why he would make such a statement as that.

Mr. BENNETT. That gibus with what is in these memorandums, does it not? Also, Mr. Abrams and yesterday's testimony of Koplin and Carlin?

Mr. REVSON. I can't account for why they made the statements.

Mr. BENNETT. I know. But their statements are corroborated by what is in your memorandum; is that not true?

Mr. REVSON. I can't account for that.

Mr. BENNETT. You cannot account for it, but it is true?

Mr. REVSON. No, it is not true. The statements in my opinion are not true.

Mr. BENNETT. Are you talking about the statements of Mr. Abrams or the statements in the memorandums?

Mr. REVSON. No, I am talking about—

Mr. BENNETT. Is it all untrue?

Mr. REVSON. As far as I am concerned they are not true; that is correct.

Mr. BENNETT. There are some things in the memorandums that are true?

Mr. REVSON. The ones I said are true, are true; the things I said are not true, are not true.

Mr. BENNETT. The things that would do you any harm about the controls are not true?

Mr. REVSON. Absolutely not. I don't take that position.

I am taking the position that I am trying to tell you the truth. I can't account for the statements that other people made, and the way they see things.

Mr. BENNETT. It is not difficult for me to believe that you had no control over specific methods of how a contestant got on or stayed on or came off. I go along with you up to that point.

But it is pretty hard to believe, under all these circumstances, that you were not indicating to the producer, based upon the ratings of this show and the popularity, whether you wanted a contestant to stay on or whether you wanted him off.

Mr. REVSON. Let me just make a point: 65 or 70 percent of our time at these meetings was devoted to how we could get more picturesque, more interesting contestants. Here was the order of the meeting:

We started the meeting off with discussing the last Tuesday night show. Whether it was an interesting show, or not.

Whether that type of contestant we would want again.

Whether that category we would want to use again.

Then we would get this over as fast as we could, to get into what future contestants were coming up.

We continually complained to the producer that we were not getting enough interesting contestants, contestants like the policeman who knew Shakespeare. Peter Froelich, the explorer on the seven seas, a picturesque personality. Nadler, McCutheon on food. Myrt Power on baseball. We submitted these things again and again. Gino Prado on opera.

Mr. BENNETT. May I interrupt right there?

Mr. REVSON. Yes, sir.

Mr. BENNETT. Once you got that type of contestant on your program, it was to your advantage financially and every other way to have him stay on the program, wasn't it?

Mr. REVSON. We wanted him to stay on because we thought he was interesting and exciting.

Mr. BENNETT. Yes, because the popularity of the contestant had a great relationship to the size of your ratings, is that not so?

Mr. REVSON. Yes, sir.

Mr. BENNETT. And your sales?

Mr. REVSON. I can't say that entirely. It helped.

Mr. BENNETT. It helped?

Mr. REVSON. Yes, sir.

Mr. BENNETT. So you had a direct picturesque interest in seeing that a good popular contestant stayed on the program and that an unpopular contestant be off the program as soon as possible?

This is without regard to whether you did anything about it, or not. You did have that interest, did you not?

Mr. REVSON. Oh, yes; certainly.

Mr. BENNETT. You deny that you did anything to try to keep a good contestant on or try to take a poor one off the show?

Mr. REVSON. I most certainly deny that.

Mr. BENNETT. You say that in spite of the fact that somebody, inasmuch as you are under oath, Mr. Abrams, Mr. Koplin, or you, is not telling the truth about this?

Mr. REVSON. That is up to them. I know I am telling the truth.

Mr. BENNETT. That is all.

The CHAIRMAN. Mr. Mack?

Mr. MACK. Mr. Revson, when was the first time that you knew that the "Twenty-one" program was fixed?

Mr. REVSON. I didn't say that, sir.

Mr. MACK. I misunderstood.

Mr. REVSON. I didn't say that. I said I have seen a performance of the show. I thought it was kind of funny the way one of them missed and then the other missed. I brought it to the attention of our producers that we did not want any of that kind of stuff on our show and they assured us that none of that stuff went on.

Mr. MACK. I appreciate that.

Tell me what you meant by "that kind of stuff"?

Mr. REVSON. Frankly, I don't know what went on behind the scenes of the "Twenty-one" show. It just looked too dramatic to me.

A guy sweating, pulling out his handkerchief. Just to a viewer he looked too dramatic.

Mr. MACK. Can you recall a time?

Mr. REVSON. I don't know that. I thought it was too stagy a performance.

Mr. MACK. I thought you specifically referred to a time?

Mr. REVSON. When did I view this and bring it before the producers?

Mr. MACK. You mentioned that you thought it was after the contestants tied.

Mr. REVSON. Time magazine?

Mr. MACK. No; on the program two contestants tied. On "Twenty-one." I thought I understood you to say that?

Mr. REVSON. Yes, sir; I did. That is correct.

Mr. MACK. I also thought I understood you to say that you became suspicious.

Mr. REVSON. I don't recall I used the word suspicious.

Mr. MACK. I don't, either. What did you use?

Mr. REVSON. I just said it seemed kind of funny, peculiar, that is what I said.

Also I brought another occasion to the producers about our own show, the "Challenge" show, the night that Robinson missed on the "\$64,000 Question" against Vincent Price, on art. People said, "How could Vincent Price miss a question like that? He is so knowledge-

able." I brought that before the meeting. They said it is one of those things; he missed.

Mr. MACK. You did have some idea. You thought it was funny, or, let us use the word peculiar, if that seems to fit a little better.

You wanted nothing peculiar on your show?

Mr. REVSON. Absolutely.

Mr. MACK. On this occasion did not two people tie on the "Twenty-one" show?

Mr. REVSON. They tied on the "Twenty-one" show. I don't even remember what happened. The way the show was constructed, they tied at a certain point and they went on to other questions. I don't recall who beat the other one. The show didn't end that way.

Mr. MACK. Generally you did have some people tie on your show and you had some young innocent children, who, as I understand, tied at the \$64,000 level in the "Challenge" and split the fee; is that not correct?

Mr. REVSON. I believe that happened; yes.

Mr. MACK. That happened after you had thought it was peculiar; is that not correct?

Mr. REVSON. I don't know whether it tied in with that specific thing.

Mr. MACK. My opinion is that it is rather peculiar that you thought it was peculiar on the first show and did not think it was peculiar on your own show.

Mr. REVSON. How do you know that I didn't think it was not peculiar? I didn't say so. Maybe I did think it was peculiar. Maybe I did ask the question. I just said to you in regard to the Robinson and Vincent Price match—I brought it up and wondered how Vincent Price could have missed such a question because he was supposed to be such a knowledgeable person on art.

I was told by the producer he just missed. It happens that things like that take place. People get nervous and they miss.

Mr. MACK. Randolph Churchill was also a knowledgeable individual?

Mr. REVSON. That is correct.

Mr. MACK. He is the son of a very brilliant leader of England.

Mr. REVSON. That is right. His subject, as I recall, was language.

Mr. MACK. He had an international reputation.

Mr. REVSON. That is right.

Mr. MACK. I understand that he lost at a very low level in your program?

Mr. REVSON. The first question.

Mr. MACK. What was discussed at your next weekly meeting?

Mr. REVSON. Nothing. It was one of those things. It was too bad. Here we brought the man over, or the producer brought the man over—

Mr. MACK. No one said anything about it at the next meeting?

Mr. REVSON. Sure we discussed it. We said it was too bad. On the English language with the knowledge he had, missing the \$64 question.

Mr. MACK. They said you were not very cordial. Anyway, it was either the advertising agent or yourself, and you were not very cordial

after Randolph Churchill lost. Did you come in and smile about it and say, "Well, we sure lost a lot on that one"?

Mr. REVSON. I can smile. You see me smile now.

The way I was pictured yesterday by Mr. Koplin, you would think I was an ogre, things he said that went on at these meetings.

Mr. MACK. Getting back to the "Twenty-one" show, today do you feel that show might have been rigged?

Mr. REVSON. The "Twenty-one" show?

Mr. MACK. Yes.

Mr. REVSON. I certainly do, after all the testimony.

Mr. MACK. The reason I asked that question is that there seems to be some question in your statement as to whether you now feel that the "\$64,000 Challenge" had been rigged.

Mr. REVSON. I never thought it was, no.

Mr. MACK. You still don't think that the "Challenge" was rigged?

Mr. REVSON. After yesterday's testimony, I am sure it was.

Mr. MACK. You are sure?

Mr. REVSON. Yes.

Mr. MACK. As I said, your statement was not quite clear on that.

Mr. REVSON. Yes; I am sure the "Question" show was rigged, too, after yesterday's statements.

Mr. MACK. You think now both the "\$64,000" shows were questionable?

Mr. REVSON. Were questionable?

Mr. MACK. Yes, sir.

Mr. REVSON. Do you mean after the testimony of yesterday?

Mr. MACK. They were rigged; is that correct?

Mr. REVSON. Whatever you want to call it, they were dishonest.

Mr. MACK. Dishonest shows.

Mr. REVSON. Absolutely dishonest shows. We would not have been a part of it if we had known it.

Mr. MACK. I notice that Dr. Evans had followed the same line on this proposition. He says—

I have no reason to believe the shows I worked for were rigged. If I had thought so, I would have disassociated myself from them at once.

I understand that is your position.

Mr. REVSON. Absolutely.

Mr. MACK. You are acquainted with Dr. Evans, are you not?

Mr. REVSON. I never met the gentleman.

Mr. MACK. You never met him?

Mr. REVSON. I never met him or talked with him.

Mr. MACK. You never talked with him?

Mr. REVSON. Never.

Mr. MACK. But he is a college professor, is he not?

Mr. REVSON. Yes, he is.

Mr. MACK. You have that knowledge.

Mr. REVSON. That is right.

Mr. MACK. He does work for one of the great universities in this country.

Mr. REVSON. Yes.

Mr. MACK. A very honorable institution.

Mr. REVSON. That is right, sir.

Mr. MACK. You supplied for the subcommittee several copies, I think two copies, of a magazine article that appeared. I now have a copy of that before me. I still don't have the original. I would like to know what date that article was written.

Mr. REVSON. There must be a Life correspondent here who probably can tell you.

Mr. MACK. It might be that the subcommittee would desire to call the Life correspondent to the witness stand after awhile, but not right now.

Mr. REVSON. I think it was the issue with Van Doren's picture on the front page.

Mr. MACK. In other words, just the last few days.

Mr. REVSON. Yes.

Mr. MACK. Evidently in the last few days Dr. Evans is still following the same policy of brainwashing or whitewashing or whatever he is trying to do in this article. It occurred to me, I presume he is still associated with Northwestern University?

Mr. REVSON. I wouldn't know that, sir.

Mr. MACK. He has not been fired, has he?

Mr. REVSON. I don't know.

Mr. MACK. I would think if one of our great institutions fires a gentleman for coming before this subcommittee in a very truthful fashion and evidently tells all that he knows concerning the entire picture, that serious consideration should be given by some of the other institutions who have people who have participated in the rigging of these shows or participated in the show itself. Do you think it is possible for Dr. Evans to have been associated with this program for however long it was, 2 or 3 years, without knowing what was going on?

Mr. REVSON. I certainly do think it was possible. Absolutely. Because if it was possible for me to be associated with the show that long and not know what was going on, it surely was possible for him to be associated and not know what was going on.

The CHAIRMAN. Would the gentleman yield at that point?

Mr. MACK. Yes, sir.

The CHAIRMAN. Mr. Koplin testified yesterday that some of these questions were prepared just a short time before they were to go on the show. It was necessary to hurry down to the bank to get them in the vault before they were taken out by the representatives of the bankers. Where could they have gotten to Dr. Evans' hands?

Mr. REVSON. I was just as shocked as you to hear this. After I heard that testimony yesterday I was saying to myself, How did I ever sit in the same room with a person who could do a thing like that?

The CHAIRMAN. You just said that you were positive in your own mind that Dr. Evans knew nothing about it.

Mr. REVSON. I didn't say I was positive. I said I am sure—I feel sure he didn't know.

The CHAIRMAN. What is the difference between being positive or being sure, if you want to split hairs. If Dr. Evans had your confidence, which I am sure he should have had—I don't know Dr. Evans, but I imagine he is a very fine gentleman and all. He wrote this article which you read. So it does raise a question of how it got to Dr. Evans' hands after they prepared it as they did and had to rush it down to

the bank vault before they could take it out the other side and put it on the show.

Mr. REVSON. You have me, Mr. Chairman. My complete understanding was this, that those questions were prepared by Dr. Evans, sealed, delivered to the Manufacturers Trust Co., and were unopened until they appeared on the show. That was my understanding of the questions.

The CHAIRMAN. The facts speak for themselves is all I can say.

Mr. MACK. In this article you quite agree that Dr. Evans is still trying to indicate that these shows are on the level. That is, the "\$64,000 Challenge" and the "\$64,000 Question"; isn't that correct?

Mr. REVSON. Yes.

Mr. MACK. You must have been aware of the fact that you had received letters from applicants who were willing to make or made outright propositions to cheat on the show.

Mr. REVSON. I don't know exactly who did it, but I am sure it must have happened. In line with that, I know of an instance which Steve Carlin brought to our attention at our meeting, that a couple of people who were quite well known were wanted on the program or thought it would be good on the program or talked to them or their representatives and their representatives said if they got the questions in advance, they would be happy to appear and Steve Carlin said he definitely would not be a part of such a situation as that.

Mr. MACK. This was common knowledge in the industry; wasn't it? It was common knowledge in the industry that all of these shows were rigged?

Mr. REVSON. No, sir; not the "\$64,000 Question" and the "\$64,000 Challenge."

Mr. MACK. When Mr. Cugat was here the other day, he indicated that they didn't even bother to call him, that they called his publicity man on the telephone and indicated to him that the show was rigged. So it didn't seem like they were trying to keep it a secret.

Mr. REVSON. It was shocking to me to hear it.

Mr. MACK. The producers seemed to indicate when they testified before the subcommittee that they had been passing the information along to the advertisers. I am amazed that the advertisers and even the networks could not know that this business was taking place.

Mr. REVSON. That is correct.

Mr. MACK. It certainly must have looked peculiar to all of you; isn't that right?

Mr. REVSON. Upon reflection it does look peculiar. But you must understand that there were other advertisers, too, who canceled shows when they found out about the dishonesty on them.

Mr. MACK. So I understand. They also lost their ratings when the people found out that they might be rigged.

Mr. REVSON. Oh, sure.

Mr. MACK. You certainly are not a naive individual—as one of the attorneys for the network testified. Is it possible for you to attend one meeting a week for 52 weeks out of the year for 3 years, or 2½ years, or however long you personally attended, without having some idea how the shows operated?

Mr. REVSON. Absolutely so. I don't consider that naive, either, sir.

Mr. MACK. You don't?

Mr. REVSON. No, sir; I do not.

Mr. MACK. You think this was a real slick operation, then?

Mr. REVSON. No.

Mr. MACK. It would take a genius to get hold of it.

Mr. REVSON. No, sir. We bought this show from an honest person, Lou Cowan. As admitted in the testimony yesterday, they didn't use any controls until 7 or 8 weeks after the show was started.

Mr. MACK. There is an indication that they might have used it on the first night.

Mr. REVSON. I don't know. That is what they say. Also they said they had another show, "Top Dollar," in which they didn't use any controls. Lou Cowan is a highly respected gentleman as far as we are concerned, and when we bought the show from him we had the greatest respect for him and the things he had done in the past on the quiz shows.

Mr. MACK. Was the "Top Dollar" show the one where someone bought his way onto the show?

Mr. REVSON. I don't know anything about the show. I know that EPI produced it. But I am not familiar with it. I don't think I ever saw the show.

Mr. MACK. Mr. Chairman, I have no further questions at this time.

Mr. DEROUNIAN. Mr. Revson, you testified that you had always been willing to go to the district attorney's office and for some reason or another you didn't get there until about 2 weeks ago; is that correct?

Mr. REVSON. That is right.

Mr. DEROUNIAN. Did you know that he had been wanting you to appear?

Mr. REVSON. I don't know. If he had wanted me to appear, I don't know why I didn't appear. I had nothing to hide.

Mr. DEROUNIAN. Did you know that he had been talking to your attorney—or his office had been talking to your attorney—for quite some time?

Mr. REVSON. Yes, I do.

Mr. DEROUNIAN. And that your attorney had been stalling him by telling him you were away, and you were busy and you could not quite make it? And that subsequently—and this was after the grand jury had adjourned for its session—you went down there?

Did you go down there because it was safer to appear when the grand jury was out of session?

Mr. REVSON. No, sir.

Mr. Stone called me up and I called him back within a half hour. I think it was a half hour or more.

Mr. DEROUNIAN. Mr. Revson, I have noticed on these two shows you have changed advertising agencies four or five times. Will you mention the agencies you have had during the progress of these shows?

Mr. REVSON. Yes.

The original agency was Norman, Craig & Kummel.

C. J. LaRoche & Co., is still an agency of Revlon. I believe they work cooperatively with Norman, Craig & Kummel on the show.

Then B.B.D. & O. took over the supervision of the show from an agency viewpoint. Then Warwick & Legler took over from there.

Mr. DEROUNIAN. Why did you change the agencies during the progress of these shows?

Mr. REVSON. The reason why we discontinued our relationships with agencies was because of business reasons. It had nothing to do with the show.

Mr. DEROUNIAN. Were they not taking your orders? Were they not following out your orders?

Mr. REVSON. The agency?

Mr. DEROUNIAN. Yes.

Mr. REVSON. Oh, no. That was not the reason. It was from a creative standpoint that we severed our relationship with B.B.D. & O. Things were not working out the way we thought they should with regard to our advertising. It had nothing to do with the show.

Mr. DEROUNIAN. I ask you that question because in your statement you tell us on page 3:

Under our contract we had a few limited rights, and then you quote parts of the contract.

Mr. REVSON. Yes.

Mr. DEROUNIAN. Then, next to the last paragraph of your statement, you say:

We discussed every detail, large and small.

Mr. REVSON. Yes.

Mr. DEROUNIAN. The producer knows which side his bread is buttered on, does he not?

Mr. REVSON. Yes; he does.

Mr. DEROUNIAN. If the sponsor himself should suggest that the form of the program should take a certain direction, they are going to follow it, by and large, as long as they are getting paid?

Mr. REVSON. No, sir.

Mr. DEROUNIAN. No?

Mr. REVSON. Absolutely not; not in this case. Because the producer owned the show and he let us know he owned that show. In the third year of the show, when the ratings were declining, and we suggested only working on a 13-week period, he said, "Nothing doing. You will take this show for a year or you won't take it at all." So we signed up for a year.

Mr. DEROUNIAN. You had great faith in the producer, EPI?

Mr. REVSON. I wouldn't say we had great faith in them; no.

Mr. DEROUNIAN. Is that why you insisted that you be chairman of the weekly meetings to go over the details, small and large?

Mr. REVSON. No. We respected the producer. We thought they knew how to produce a show. I had great respect for Harry Fleischmann and Steve Carlin. I thought Steve Carline, especially, is a smart fellow.

Mr. DEROUNIAN. Steve Carlin did not think you had so much respect for him, because he verified Mr. Koplin's testimony yesterday where he said that they felt they should carry out the great majority of the suggestions you made because you were the boss.

Mr. REVSON. That was a bunch of hogwash.

Mr. DEROUNIAN. It was?

Mr. REVSON. As far as I am concerned, it is hogwash.

Mr. DEROUNIAN. You said yesterday you were advised by Mr. Koplin's testimony that the shows were fixed.

Do you believe that they were fixed?

Mr. REVSON. Today, positively.

Mr. DEROUNIAN. Mr. Koplin said it, and you said he was not telling the truth, yesterday.

Mr. REVSON. About many things, he was not telling the truth: About the fact that he suspected that I knew about Ross.

Mr. DEROUNIAN. In other words, anything that has you boxed right now you admit; anything that is in the area of cloudiness. You remember certain things that are to your benefit and you conveniently forget other things not of your benefit; is that not so?

Mr. REVSON. Absolutely not, sir. I have told the truth here today and I will continue to tell the truth as long as you want to hear it.

Mr. DEROUNIAN. George Abrams was a very close friend of yours in addition to being a close associate, was he not?

Mr. REVSON. He still is a friend of mine.

Mr. DEROUNIAN. And you discussed things of a very confidential nature, did you not?

Mr. REVSON. Absolutely.

Mr. DEROUNIAN. Why would he lie under oath?

Mr. REVSON. I don't know.

Mr. DEROUNIAN. Are you saying he lied under oath?

Mr. REVSON. I didn't say he was lying. I said I don't agree with the statement.

Mr. DEROUNIAN. And yet he was present at every one of those meetings. He was in charge of advertising. He is a stockholder in Revlon which might be detrimental to the sales of Revlon and consequently detrimental to him.

Mr. REVSON. I don't know what he meant.

Mr. DEROUNIAN. He gave us the true facts without hemming and hawing.

Mr. REVSON. That is his statement.

Mr. DEROUNIAN. You have a pecuniary interest in this, too, do you not?

Mr. REVSON. Yes, sir.

What do you mean by pecuniary interest?

Mr. DEROUNIAN. You are a stockholder?

Mr. REVSON. Yes.

Mr. DEROUNIAN. You do not want the stock to go down?

Mr. REVSON. Naturally not.

Mr. DEROUNIAN. The difference is that Abrams, in my opinion, is telling the truth.

Mr. REVSON. You have no right to say I am not telling the truth.

Mr. DEROUNIAN. I am telling you that I think Mr. Abrams is telling the truth. He has been corroborated by previous testimony of Koplin and Carlin, the producers in whom you had such great faith.

Mr. REVSON. Yes, sir.

Mr. DEROUNIAN. And by these memorandums which are written verifications of what transpired.

Mr. Revson, you have been quibbling. You have been telling us that you did not know a thing about contestants and then you flip-flop and say, "We knew some things about the contestants; we discussed

certain things; but as to the control of them, I knew absolutely nothing." To me that seems impossible for a man of your business ingenuity and business acumen.

You are a pretty sharp fellow in business. To prove it, your sales went up to \$110 million. The dope does not do that. You are no dope. You plead ignorance of every fact that has to do with controlling a contestant, but acknowledge that you discussed every other detail of a contestant. It seems that suddenly, when it came to the questions and answers in your discussions, you jumped over them. You say now, "Gee, I did not know."

Mr. REVSON. Here is what I am saying, and I am repeating. Here is what I knew and here is what I stand by, regardless of statements made by anybody else, and regardless of any judgments that may be passed on my naivete.

Mr. DEROUNIAN. You are not naive, Mr. Revson. Let us not get that on the record.

You have lived and you know what it is all about and you have been a successful businessman.

Mr. REVSON. Yes. I was going to make a statement. I have said that I knew how the contestant was interviewed on the telephone and came into the office then to be interviewed. A series of questions were given to him to find his area of knowledge.

Mr. DEROUNIAN. Who told you about this procedure of questioning him inside the room to find his area of knowledge?

Mr. REVSON. I believe Steve Carlin, Harry Fleischmann, or Lou Cowan.

Mr. DEROUNIAN. He stopped right there? He did not say how they would pitch the questions to what he knew?

Mr. REVSON. Absolutely not.

Mr. DEROUNIAN. All right.

Mr. REVSON. That is the truth.

Mr. DEROUNIAN. Do you have any further statement on that?

Mr. REVSON. No. That is the truth. I stand by that.

Mr. DEROUNIAN. Did Mr. Carlin tell you how they discovered the area of knowledge of the contestant?

Mr. REVSON. Yes. Sure. They had a series of questions on a particular subject. If the man came in on geography, they would have a series of questions on geography. They would ask him what kind of geography he knew—North American or European or whatever it was.

Mr. DEROUNIAN. Did Mr. Carlin tell you about Teddy Nadler and that they wanted to ask him questions about Abraham Lincoln, but that he refused?

Mr. REVSON. He could have.

Mr. DEROUNIAN. You discussed Nadler?

Mr. REVSON. Yes, sir.

Mr. DEROUNIAN. The biggest money winner.

Did you not know that every winner over \$32,000 had been coached or controlled?

Mr. REVSON. Absolutely not. Absolutely not; I never knew it.

Mr. DEROUNIAN. All I can say is that we have had a rather conflicting day here. I hope the Attorney General will look into this testimony, because somebody is not telling the truth here.

No further questions.

The CHAIRMAN. It is the hour I think we should recess for lunch, but before we do, there has been so much said about the deposition of Mr. Abrams and a great deal of it referred to and read into the record without the entire statement being included in the record, I believe that the entire statement should be included in the record at this point.

Mr. Revson, I am going to ask you to stand aside and be back at 1:30.

Before we recess, I want Mr. Goodwin to take the witness stand.

Do you solemnly swear the testimony you give to this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GOODWIN. I do, sir.

The CHAIRMAN. Have a seat.

STATEMENT OF RICHARD N. GOODWIN, SPECIAL CONSULTANT TO THE COMMITTEE

The CHAIRMAN. Have a seat.

State your name, for the record.

Mr. GOODWIN. My name is Richard N. Goodwin.

The CHAIRMAN. You are a staff member of this Subcommittee on Legislative Oversight?

Mr. GOODWIN. I am a special consultant to the House Special subcommittee on Legislative Oversight.

The CHAIRMAN. Did you interview and take the deposition of Mr. George Abrams?

Mr. GOODWIN. I did, sir.

The CHAIRMAN. Will you state the reason Mr. Abrams could not be here today?

Mr. GOODWIN. Yes, sir. Mr. Abrams and I had several conferences in New York City during the past week. At that time he pointed out to me that he had recently been moved to a new job as head of the Cosmetic and Toiletries Division of Warner-Lambert Pharmaceutical Corp., that in getting adjusted to this job he had many chores and it would be a great hardship on him to leave to come here.

He could give a full, complete, and accurate statement to this subcommittee without any need of explanation or qualification.

I pointed out to him that it might be essential to call him in any event and he agreed to remain on call and is at the call of this subcommittee at the present time.

Mr. LISHMAN. Mr. Goodwin, before reading this sworn statement of Mr. Abrams into the record, I would like to ask if you would outline the circumstances surrounding the making of this verified statement.

Mr. GOODWIN. I had had some very early conferences with Mr. Abrams of a general nature, but on Monday, October 26, at 4 p.m., I met with Mr. Abrams at the office of Joseph Stone, an assistant district attorney of the county of New York.

Mr. Abrams, Mr. Stone, and I were present. Mr. Abrams previously had been accompanied by a lawyer for Revlon, Inc., who had left the office, leaving us alone with Mr. Abrams. He had left prior

to my arrival. We spent a period of approximately 4 to 5 hours discussing Mr. Abrams' role in the sponsor's meeting.

At this time I took several notes of his statements. We then went to dinner and at dinner I read them back to him in the presence of Mr. Stone and asked him to verify that these had been his statements. He did so.

I then typed the statement on the basis of these statements he had given to me and sent them to him, or gave them to him Wednesday, October 28, at the offices of Richard Hudnut in New York City.

He took the statement with him and, after reading it over, said it was complete and accurate, to the attorney for Richard Hudnut.

He called me and suggested minor changes in style and substance which we discussed and which were all agreed to. We discussed that again on Thursday, October 30.

Finally, on Saturday, October 31, we met in the offices of former Attorney General Nathan Goldstein, former attorney general of the State of New York, where Mr. Abrams again read the statement in the presence of his attorney, received the approval of his attorney, and signed it and swore to it in my presence and, of course, the presence of a notary.

The CHAIRMAN. Will you present the statement now?

Mr. GOODWIN. Yes, sir. [Reading:]

I, George Abrams, president of Cosmetics and Toiletries Division of Warner-Lambert Pharmaceutical Corp., Morris Plains Division, do solemnly swear and affirm that the following is a true and accurate and complete account of statements made by me to subcommittee interrogator, Richard N. Goodwin, in the presence of Joseph Stone, assistant district attorney of the county of New York.

I formerly was vice president of advertising for Revlon, Inc. In this capacity I attended weekly sponsor's meetings of the "\$64,000 Question" and "\$64,000 Challenge" from approximately August 1955, to October 1958. In attendance at these meetings were the producers of the show, including Mr. Steve Carlin and Mr. Mert Koplin; representatives of whatever advertising agency was then handling the Revlon account—Norman, Craig & Kumnel, B.B.D. & O., and Warwick & Legler, in chronological order, and Mr. Martin Revson and myself from Revlon, Inc. Occasionally, Mr. Charles Revson was in attendance.

(1) The primary purpose of these meetings was to discuss methods of keeping the ratings high, or raising them. Charts were maintained which showed the contestants then on the program and the "audience draw" while they were appearing. At these meetings we would discuss with the producers and the advertising agency whether individual contestants were interesting personalities, or dull and unexciting, and what publicity appeal they had, as indicated by the current newspaper clippings. If a contestant was interesting, it was generally the consensus of opinion that he should continue on the show. If he was dull, we would suggest to the producer that it would be desirable that the contestant not continue in the future.

We understood that the technique used for controlling the destiny of a contestant was to employ questions ranging from tough to easy, based on the producer's knowledge of the expertise of the contestant in certain areas within his chosen category as determined in their screening operation.

(2) If a contestant or match did not come out as we had suggested, the sponsor and agency representatives would be upset and express displeasure—often in a very heated fashion. I have given you four specific examples of matches which resulted in either a dull contestant continuing on a show, despite our desire that he not do so, or interesting personalities losing, as opposed to our hope that they would continue.

(3) The producers carried out the sponsors' wishes most of the time as suggested in these meetings.

(4) As stated, the primary purpose of the meeting was to keep the ratings high, or raise them, and so, consistent with this purpose, a great deal of time

was devoted to discussing the destiny of a contestant, and it was always assumed that the producers would use the known control of a difficult or simple question within the specific areas of a contestant's expertise within his category as determined in intensive preliminary screening to regulate whether a contestant remained on, or left, the show.

(5) Although we were unaware that the producers ever told a contestant the exact answers to the questions he was to be asked on the program, we did know that through intensive preliminary screening the producers found out what a contestant knew, and asked him about it.

(6) Memos were made of these meetings and later circulated. At one time, a memorandum was circulated which, in effect, said bluntly that what had been decided was that a certain match would end next week, and another contestant would advance to another plateau on the "Question" show. This famous last memo was a crude translation into plain language of what had been the general purport of the meetings. Mr. Martin Revson was quite upset at this memo, and ordered that there be no more memos, because he did not want to be bound by what anyone put down on paper. He thought it a foolish thing to put down on paper.

(7) The decisions were arrived at about contestants who should continue on the "Question," how a match should go on the "Challenge," and the sponsor and agency expected that the decisions would be carried out with a high degree of accuracy.

(8) The meetings also dealt with other problems, such as MC's, categories, format changes, etc.

(9) At one point it was decided that there be more losers on the "Question" show, because it was too boring having all winners. When that decision was made, it was expected that the producers carry it out, and, in fact, they did carry it out, using, I assume, the technique of asking questions based on the amount of knowledge they felt a contestant had in a specific category.

The above is a complete and accurate picture of what went on at the weekly sponsors' meeting which constituted my primary contact with the shows. I was always present in these meetings in my capacity as a Revlon executive, and I participated in the decisions which were made.

Since I have nothing to add to this statement, and feel that there is absolutely no need of explanation or qualification, I request that I be excused from personal attendance at the subcommittee hearings.

(Signed) GEORGE ABRAMS.

Sworn to before me this 30th day of October 1959.

(Signed) JAMES F. CAHILL,
*Notary Public, State of New York, No. 30-0532325, Qualified in Nassau
County, Certificate Filed in New York County, Term Expires March 30,
1961.*

Mr. GOODWIN. I would also like to add, Mr. Chairman, in light of the information that I had had from Mr. Martin Revson, I specifically asked Mr. Abrams to verify the wording of most of these sentences, that they were an accurate portrayal and that there was no need of further explanation and he did so, and again in the presence of his attorney.

Mr. BENNETT. Mr. Chairman, I would think under ordinary circumstances that the affidavit of Mr. Abrams would be sufficient, but in view of the testimony of Mr. Revson, this morning, I think it is important that Mr. Abrams be asked to come here.

I would suggest that he be asked to come down here tomorrow morning, if possible, to straighten this out. I would like to ask him some questions about these memorandums in their files. There is a complete divergence in the essential facts in their testimony, the testimony of Revson and the affidavit of Mr. Abrams.

I think the only way to get this straightened out is to have him come here.

The CHAIRMAN. Of course, that is something that will have to be explored and determined whether it is feasible or not.

Under the circumstances I will say this: We have got a full schedule in the morning. Whatever different arrangement is made is going to have to be made under circumstances which the subcommittee can meet, including myself and the gentleman from Michigan and other members, some of who are going to be leaving here today.

The subcommittee will recess until 1:30.

(Thereupon, at 12:55 p.m., the subcommittee recessed, to reconvene at 1:30 p.m., same day.)

AFTERNOON SESSION

The CHAIRMAN. The subcommittee will come to order.

Mr. Revson, you may resume the witness chair.

(No response.)

The CHAIRMAN. Is Mr. Cooper Smith here?

(No response.)

The CHAIRMAN. Is Mr. Clark Clifford in the room?

Mr. CLIFFORD. How do you do, Mr. Chairman.

The CHAIRMAN. Do you know where Mr. Revson is?

Mr. CLIFFORD. Mr. Charles Revson, my client, is right here.

The CHAIRMAN. Mr. Martin Revson, his brother, who was on the witness stand, where is he?

Mr. CLIFFORD. I don't know. When he left the witness stand, did you excuse him?

The CHAIRMAN. We excused him until 1:30.

Mr. CLIFFORD. I am sorry, Mr. Chairman. I don't know where he is.

The CHAIRMAN. Ask his brother if he knows where he is.

Mr. CLIFFORD. Mr. Charles Revson and I went to luncheon together. We did not see Martin when he left here. I could not tell from the back whether he had been excused or not.

The CHAIRMAN. I asked him to stand aside until 1:30. You can go back and look at the record. I said stand aside until 1:30. Then I excused him until 1:30.

Do you know where you can try to contact him?

Mr. CLIFFORD. I would suggest that we have someone call his hotel at once.

Mr. CHARLES REVSON. I think somebody is calling him now.

The CHAIRMAN. Thank you very much. While we are waiting on him could we ask Mr. James Webb to come forward?

Are you Mr. James Webb?

TESTIMONY OF JAMES WEBB

Mr. WEBB. Yes, sir.

The CHAIRMAN. Will you be sworn?

Do you solemnly swear that the testimony you give to the subcommittee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. WEBB. I do, sir.

The CHAIRMAN. Have a seat, Mr. Webb.

I am informed that you of necessity have to leave and get back to your home.

Mr. WEBB. I would like to do so, sir.

The CHAIRMAN. For that reason, as I understand, your testimony will be very brief. We have called you in order to accommodate you in this manner.

Mr. WEBB. Thank you.

The CHAIRMAN. Mr. Lishman, you may proceed.

Mr. LISIIMAN. Mr. Webb, you appear here voluntarily?

Mr. WEBB. Yes, sir.

Mr. LISIIMAN. Do you appear here at the request of anyone connected with Revlon, Inc.?

Mr. WEBB. The Revlon people talked to me and asked me if I would appear and tell what I knew at this hearing, yes.

Mr. LISIIMAN. Are you connected with the C. J. LaRoche Co.?

Mr. WEBB. I am president of C. J. LaRoche & Co.

Mr. LISIIMAN. What is that business?

Mr. WEBB. We have an advertising agency.

Mr. LISIIMAN. Do you have the Revlon account as an advertising agency?

Mr. WEBB. We have a portion of the Revlon account.

Mr. LISIIMAN. For how long have you had a portion of the Revlon account as an advertising agency?

Mr. WEBB. Since October 1, 1954.

Mr. LISIIMAN. Were you its advertising agent during the period that the "\$64,000 Question" and "\$64,000 Challenge" were on the air?

Mr. WEBB. Yes, sir.

Mr. LISIIMAN. Were you here this morning?

Mr. WEBB. Yes, sir.

Mr. LISIIMAN. Did you hear the testimony of Mr. Martin Revson?

Mr. WEBB. Yes, sir.

Mr. LISIIMAN. Did you attend these weekly meetings that were held in Revlon's office?

Mr. WEBB. Yes, sir. I attended many of them.

Mr. LISIIMAN. Over what period of time did you attend these meetings?

Mr. WEBB. I attended the meetings—are you speaking of the informal meetings or the formal meetings as they were finally established?

Mr. LISIIMAN. The ones concerning the written memorandums.

Mr. WEBB. I presume you mean the formal meetings, then.

Yes, I attended the first of those formal meetings.

Mr. LISIIMAN. About what year was that?

Mr. WEBB. That was in 1955.

Mr. LISIIMAN. Would that be in the summer of 1955?

Mr. WEBB. I think the meetings began to be held on a formal basis in the early fall of 1955.

Mr. LISIIMAN. For how long a time did you attend such meetings? Did you attend these meetings during the period 1955 to the fall of 1958, or the summer of 1958?

Mr. WEBB. No, sir.

My attendance at the meetings was largely in the period 1955, 1956. It became increasingly less frequent toward the end of 1956, and petered out altogether in 1957.

Mr. LISIIMAN. About how many of these weekly meetings did you attend in the year 1955?

Mr. WEBB. Let me see. There were not too many of them in 1955, since they started in the fall; I probably was at all of the ones in the fall of 1955.

Mr. LISHMAN. Would you consider that 12 weeks? Were you at each of 12 weekly meetings?

Mr. WEBB. Assuming that they started in September, yes. I don't recall whether it was September or October.

Mr. LISHMAN. Would it be a fair statement that you attended 12 weekly meetings during the year 1955?

Mr. WEBB. I am reluctant to say 12. It might have been 11, it might have been 8, it might have been 14. I don't know.

Whatever meetings were held in 1955, I attended.

Mr. LISHMAN. You attended every one of them?

Mr. WEBB. I believe so.

Mr. LISHMAN. In 1956, approximately how many of these weekly meetings did you attend?

Mr. WEBB. Let me answer that by saying that in toto I probably attended somewhere between 20 or 30 of the weekly meetings in all.

Mr. LISHMAN. Over the entire span of time?

Mr. WEBB. Over the entire span of time.

Mr. LISHMAN. Who else attended these meetings while you were present?

Mr. WEBB. Mr. Martin Revson, of course, who was chairman of the meetings; Mr. George Abrams.

From my own agency, myself. In the beginning a man named Stewart Ludlum, who was head of our television department. Latterly, a Mr. Heinrich Boorham, who succeeded Mr. Ludlum. And finally, Mr. Tom Lewis.

There also were in attendance representatives of the other agencies involved.

Mr. LISHMAN. What other agencies were those?

Mr. WEBB. In the beginning, it was Norman, Craig & Kummel, in which event it would be Mr. Norman and Mr. Walter Craig.

When it was Batten, Barton, Durstine & Osborn, it would be Mr. Foreman and Mr. Ward or Mr. Curtis.

Let me see what other agencies were involved. There were four or five of us involved from time to time. Norman, Craig & Kummel, B.B.D. & O., ourselves, and latterly Warwick & Legler had the most important responsibilities.

Mr. LISHMAN. Who attended representing the producers?

Mr. WEBB. Generally Mr. Carlin and Mr. Fleischmann and upon occasion Mr. Koplin.

This was during the period of time that I attended the meetings. In the beginning, Mr. Koplin did not attend those meetings.

Mr. LISHMAN. What was the purpose of these meetings?

Mr. WEBB. The purpose of the meetings was to review, as has certainly adequately been described here by other witnesses, the procedure of the previous show. To determine all of the matters in respect to lighting, positioning, and movement of people on the stage, integration of commercials, the dress and manner in which the people carried themselves, the way in which the master of ceremonies handled himself in his interviews with the contestant prior to question-

ing, the mechanics of the show, like, did the wheels on the isolation booth squeak and why. And various matters of that sort.

Mr. LISHMAN. Did you discuss ratings?

Mr. WEBB. Yes, ratings were also discussed as a measure of the popularity of the show, and hence of our audience.

Mr. LISHMAN. Did you discuss as to whether or not a particular contestant might or should be continued on the show in view of the high ratings?

Mr. WEBB. There was always a discussion of contestants, both in terms of their performance, their personalities, the way those personalities projected themselves, what could be done by the master of ceremonies to bring them out to better advantage for the entertainment portion of the show.

A discussion of the contestants on the show in terms of the categories which they had chosen. What the balance of those categories should be. If you had a little old lady on the show talking about baseball, you didn't want to have another little old lady talking about the Bible on the same show. You wanted a balance of entertainment. Those matters were always discussed at these meetings.

Mr. LISHMAN. Were you aware at these meetings that controls were being exercised on these programs by the producers?

Mr. WEBB. When you speak of controls, do you mean controls with respect to the questioning of the contestants?

Mr. LISHMAN. I mean controls—

Mr. WEBB. There were many controls exercised on the shows.

Mr. LISHMAN. Let us go through each control.

Were you aware that controls were exercised in the selection of the contestant?

Mr. WEBB. Yes, indeed. Controls in terms of their personality, the initial screening in which they obtained the department of their knowledge, the producer's judgment as to how they would in turn project over the air.

Mr. LISHMAN. Were you aware that controls were also exercised with respect to keeping a contestant on the show when the ratings indicated that he or she was a popular contestant?

Mr. WEBB. Absolutely not.

Mr. LISHMAN. Was there any discussion at these meetings as to whether or not the show was having too many winners and that perhaps there should be some losers?

Mr. WEBB. I don't think I was in the particular meeting in which that question was brought up.

Mr. LISHMAN. Were you present at any meeting where it was discussed as to how a contestant could be eliminated from the program?

Mr. WEBB. No, sir.

Mr. LISHMAN. Were you present at any meeting wherein the sponsor or anyone else in the room suggested to the producers that they should continue a certain contestant on the program?

Mr. WEBB. Would you mind repeating that?

(The pending question was read by the reporter.)

Mr. WEBB. That they should continue a certain contestant on the program?

Mr. LISHMAN. Yes.

Mr. WEBB. Many times in the meetings the hope was expressed that certain contestants would continue on the programs because they were very good box office.

Mr. LISHMAN. Who expressed such hope?

Mr. WEBB. The sponsor would express such hope, the producers.

Mr. LISHMAN. By sponsor, do you mean Mr. Martin Revson, the chairman of the meeting?

Mr. WEBB. Or Mr. George Abrams or Mr. Mandel, who often was in these meetings.

Mr. LISHMAN. How would he express this hope and in what terms would he say it?

Mr. WEBB. I am sure you don't want some of the picturesque language that was used in those meetings, but the general tenor of it was that certain contestants were very, very good in terms of their appearance and the projection of their personality, and they were good for the show, the audience liked them, and we were certainly hopeful that they would continue.

Mr. LISHMAN. Did you thereafter observe that when this hope was expressed by the sponsor that that hope was eventually fulfilled, and the contestant would stay on the show?

Mr. WEBB. No. On many occasions we were disappointed in that, as has been brought out in the previous testimony. On other occasions we were successful. In my own judgment Entertainment Productions, Inc., did a pretty good job in their initial screenings of contestants who were well versed in their subjects.

Mr. LISHMAN. Do you know that producers testified that in a great many instances—was it 80 percent—they were able to accommodate their controls to achieve the desires of the sponsor with respect to contestants?

Mr. WEBB. The desires of the sponsor in respect to contestants?

Mr. LISHMAN. Whether or not they should be kept on the program or eliminated.

Mr. WEBB. I never heard the sponsor instruct Entertainment Productions, Inc., to either keep or eliminate a contestant.

Mr. LISHMAN. Let us not get down to the word "instruct." Was it suggested or was the hope expressed, for example, that a certain contestant ought to go off the show in view of the ratings?

Mr. WEBB. The hope was expressed that certain contestants would eventually get off the show because of the ratings. But I never heard any—

Mr. LISHMAN. Was that expressed in what you would call—

Mr. WEBB. Picturesque language.

Mr. LISHMAN. Yes.

Mr. WEBB. Indeed, yes.

Mr. LISHMAN. So it was not just a mere meek, pious expression of a hope. Would you consider it to be more of a demand that this be accomplished, or else?

Mr. WEBB. I would not consider it to be a demand. May I say that the same picturesque language was used in the description of many other activities in connection with the Revlon activity. I have been the brunt of some of it myself.

Mr. LISHMAN. Was it understood by the people at these meetings that the one method of controlling the show was by asking either a hard question or an easy question within a designated category?

Mr. WEBB. I never understood such. As far as hard questions and easy questions were concerned, the questions at the lower level were a little easier than the questions at the higher level, and you would presume that would be the case.

Mr. LISHMAN. In 1957, in April of that year, there was an article in Time magazine charging that quiz shows were rigged. Did you happen to read that article at the time?

Mr. WEBB. I did not. I read it several weeks later, actually.

Mr. LISHMAN. But that was during the time you were having these weekly meetings?

Mr. WEBB. That was during the time the weekly meetings were going on, yes.

Mr. LISHMAN. Was that article discussed at any of these meetings?

Mr. WEBB. I don't recall the discussion of the article at any meeting I attended, and I was not at all the meetings. You must understand that.

Mr. LISHMAN. You are in the advertising business?

Mr. WEBB. Yes, sir.

Mr. LISHMAN. I would assume that you would have a great interest in any article which would show that one of the most effective vehicles of advertising was being charged in a nationally published magazine with being guilty of fraud on the public.

Mr. WEBB. If you are interested in getting some hearsay I will be happy to give you some as to my understanding of what happened as a result of this.

Mr. LISHMAN. No, Mr. Webb; what I am pointing out is this: We have had a succession of witnesses from the advertising world, one of whom said we were living in a kind of fool's paradise or a dream world. We didn't have the slightest inkling that any of this rigging was going on in these quiz shows. I am just asking you. You are in the advertising business. Here was this article in Time magazine in April 1957. I just wondered why it would not have aroused your interest enough, when you were a participant in quiz show arrangements, one of the biggest of all of them, that this would not have been raised at a meeting.

Mr. WEBB. It did arouse my interest and it aroused the interest of my associates, and the matter was discussed in my office. You asked me what happened at the meetings at Revlon. I did not happen to be present at the meeting at which that was discussed.

Mr. LISHMAN. Have you any information that it was discussed at a Revlon meeting?

Mr. WEBB. I believe it was testified here that the article was discussed at such a meeting. May I ask, Mr. Lishman, if you have a copy of my own statement which I would like to make a part of my own testimony?

Mr. LISHMAN. I don't have a copy of your statement, I am sorry, Mr. Webb. I have not seen it. I would be glad to have it.

Mr. WEBB. Perhaps it would be helpful to you if I read that statement.

Mr. LISHMAN. I am sorry I didn't ask you if you had a statement which you wished to read. I had not seen a copy of your statement.

Mr. WEBB. I don't know who has the copies, but they are available here somewhere.

Mr. LISHMAN. At this point, if you would like to read your statement, I presume with the chairman's permission, it would be all right.

The CHAIRMAN. Who had possession of your statement, Mr. Webb?

Mr. WEBB. I have this one.

The CHAIRMAN. Who made the copies?

Mr. WEBB. The copies were made by a public stenographer here in Washington, I believe.

The CHAIRMAN. Who did you turn them over to?

Mr. WEBB. I think Mr. Jaffee, one of the Revlon attorneys.

The CHAIRMAN. I want to make it clear that the subcommittee has no statement from you and no copies. I assume it is made for the benefit of the press, is it not?

Mr. WEBB. My statement?

The CHAIRMAN. Yes.

Mr. WEBB. My statement is made for the benefit of the subcommittee, sir, and not for the press.

The CHAIRMAN. I mean the copies.

Mr. WEBB. I would hope not.

The CHAIRMAN. Incidentally, if you do not have copies yourself—

Mr. WEBB. I have a copy here which I will be happy to read and give to you, sir.

The CHAIRMAN. I appreciate that, but since you brought up the fact that there were copies that maybe we could have one available for the members. If not, you may proceed and read your statement.

Mr. WEBB. Some of it will represent some reiteration to the answers I have already given here, if you will bear with me.

The CHAIRMAN. If you had indicated that you had a statement to start with, we would have permitted you to read it then.

Mr. WEBB. Having listened to the testimony, I was under the impression that you had been advised I had such a statement. I am sorry.

The CHAIRMAN. You may proceed.

Mr. WEBB. Thank you.

I am president of C. J. LaRoche & Co., Inc., an advertising agency. We have represented Revlon, although not on an exclusive basis, since October 1, 1954, I have been in advertising over 20 years. I was formerly chairman of the board of governors of the eastern region of the American Association of Advertising Agencies. Before I joined LaRoche in 1951, I was vice president of Young & Rubicam.

During the period that Revlon sponsored the "\$64,000 Question" and "\$64,000 Challenge" I attended many meetings having to do with both shows.

I remember the circumstances when Revlon took on the "\$64,000 Question." The program had been offered all over town to a number of potential sponsors and/or their agencies, all of whom had turned it down. The Revlon executives decided that it was the kind of program that would be interesting and effective.

During my constant contacts with those who worked on these shows, producers, sponsors, and others, nothing ever occurred to arouse my suspicions. It never entered my mind that there were anything but straightforward, up-and-up contests. We were told by the producers and we believed that the questions were prepared by Dr. Bergen Evans, of Northwestern University, that they were guarded by the Manufac-

turers Trust Co., or the other banks involved, and that neither the sponsor, the agency, nor any contestant had access to them. Consequently, there would not be and to the best of my knowledge there was no tampering with the questions by the Revsons or any other Revlon executive.

During the meetings that were held regularly to discuss the programs, there were often opinions expressed by Revlon and the advertising agencies that not enough showmanship had been employed in the selection of contestants, that EPI had chosen badly. At such times the EPI people usually disagreed and forcefully defended the selection of contestants.

From time to time, Martin Revson or George Abrams of Revlon expressed the hope that uninteresting contestants would leave the show. But to me this meant that EPI should reevaluate the contestants and not encourage them to try for the higher level.

Neither I nor any other executive of the LaRoche agency ever received the slightest complaint that there was any impropriety whatsoever in connection with the shows. Hundreds of contestants appeared and won or lost—but not one of them ever complained to us that he had been treated unfairly. To us, this would tend to confirm what we already believed: that the contests were square and honest.

When I first heard accusations that contestants had been given advance information as to questions, I was shocked and did not believe them. Until I read of Mr. Cugat's testimony I never suspected that there was any dishonesty in these shows. I attended meetings in connection with them, I met and listened to the producers, I attended rehearsals and I saw the shows when they finally went on the air. I believed that the programs were honest. Surely, the producers never gave me the slightest reason to believe otherwise.

Mr. LISHMAN. Mr. Webb, did you receive copies of memorandums reflecting what transpired at these weekly meetings that you attended?

Mr. WEBB. No, sir; we did not.

Mr. LISHMAN. You did not receive them?

Mr. WEBB. No, sir.

Mr. LISHMAN. Do I understand your testimony to be that you believed that Dr. Bergen Evans actually wrote the questions which were used on the show?

Mr. WEBB. That is what I was told, sir, and I believed it. It was not until I heard Mr. Koplin's testimony that I had any indication that anything other than that happened.

Mr. LISHMAN. Wouldn't you think it would be very extraordinary for Dr. Bergen Evans to sit there night after night and hear questions being used that he had never written on that program and not make any protest about it to someone?

Mr. WEBB. Would I think that?

Mr. LISHMAN. Yes, if he was the man who was charged with the duty of writing the questions?

Mr. WEBB. I had no contact with Dr. Evans. I don't know whether Dr. Evans ever did have any contact with either the producers or with the Revlon people in connection with those questions.

I would presume that any interchange of opinion or information was between Dr. Evans and the EPI people.

Mr. LISHMAN. But you don't know of any occasions when Dr. Evans stepped forward and said, "Gentlemen, since you are not using my questions on the program, I am quitting"?

Mr. WEBB. I know of no such instance.

Mr. LISUMAN. You know of no such instance. Did you know that controls could be used in this program by means of easy questions or hard questions?

Mr. WEBB. This is like asking when you are going to stop beating your wife. I did know that such controls could be exercised.

Mr. LISHMAN. Yes.

Mr. WEBB. I think the best way——

Mr. LISHMAN. Let us say were exercised.

Mr. WEBB. I think I can say "No, I did not."

Mr. LISHMAN. Would you suspect that such controls could have been used?

Mr. WEBB. I never suspected it in relation to these programs, as evidenced by my statement.

Mr. LISHMAN. In view of the primary importance of the ratings, it is difficult to see why you would not discuss ways and means of keeping a contestant on when the ratings were high.

Do you say that you didn't discuss ways and means by which a contestant could be kept on when the ratings were high?

Mr. WEBB. There was never any discussion in any of the meetings that I attended of ways and means of keeping a contestant on.

Mr. LISHMAN. All that would be said would be by Mr. Martin Revson, "I hope that we can keep this contestant on because the ratings are so fine"?

Mr. WEBB. Not only would Martin Revson say that, but others would say it. I have said that same thing, myself.

Mr. LISHMAN. And that hope would be expressed, as you say, in emphatic, picturesque language?

Mr. WEBB. I don't think I ever used any picturesque language.

Mr. LISHMAN. No, the hope that was expressed by Mr. Revson?

Mr. WEBB. Mr. Revson is a picturesque man, yes.

Mr. LISHMAN. A producer would have no doubt about what Mr. Revson wanted him to do, would he?

Mr. WEBB. The producers would have no doubt as to what Mr. Revson's opinions were. The producers on many occasions, as has been testified here before, indicated to Mr. Revson and to the others of us at those meetings that they were running the show and if we didn't like it, we could lump it.

Mr. LISHMAN. I have no further questions, Mr. Chairman.

The CHAIRMAN. Does anybody have any questions of this witness?

Mr. ROGERS. I have one.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS. Mr. Webb, when you talk about picturesque language, you mean profanity; do you not?

Mr. WEBB. I am not only speaking of profanity, sir; I am speaking of a picturesque use of phrases.

Mr. ROGERS. But profanity was used; was it not?

Mr. WEBB. Yes, I would say profanity had been used: yes, sir.

Mr. ROGERS. I believe you said that you heard some hopes expressed that certain ones would eventually go off the program because their ratings were not high; is that correct?

Mr. WEBB. Yes, as was testified here yesterday by Mr. Carlin. He was urged by the sponsor to do something.

Mr. ROGERS. I know; I heard Mr. Carlin. I am talking about your testimony, Mr. Webb. You did hear these hopes expressed that certain ones would go off the program?

Mr. WEBB. Hopes that certain ones would not continue on the program.

Mr. ROGERS. Would not continue.

Actually, those persons were referred to by Mr. Martin Revson in rather choice phrases—this picturesque language you are talking about; were they not?

Mr. WEBB. Yes.

May I again point out to you, sir, that Mr. Revson talks in rather picturesque terms about this and other things.

Mr. ROGERS. That is assumed. But he was talking in some rather picturesque and choice language and using phrases intended to infer his thinking about what kind of fellow it was that had these ratings down.

Mr. WEBB. To express the depth of his conviction.

Mr. ROGERS. That is right. There was not any way that the producers of that show could misunderstand that Mr. Martin Revson did not want that man on much longer?

Mr. WEBB. There was no way that they could misunderstand the fact that Mr. Martin Revson considered him to be an unattractive contestant.

Mr. ROGERS. Investment?

Mr. WEBB. Contestant.

Mr. ROGERS. Usually he led off?

Mr. WEBB. I said sometimes he did, and sometimes he didn't.

Mr. ROGERS. What, percentagewise? How many times did he and how many times did he not?

Mr. WEBB. I would hesitate to answer that. I don't know what the percentage was. I have heard some percentages thrown around in these hearings which seemed rather weird to me.

Mr. ROGERS. Let us just be approximate. Most of the time the fellow that was distasteful to Mr. Revson went off, did he not?

Mr. WEBB. I would say probably in no greater proportion than the good contestants stayed on.

Mr. ROGERS. Let me ask you this question, Mr. Webb: Your association with this whole situation was well known, was it not? You were not trying to hide the fact that you were working for Revlon and trying to do a good job, were you?

Mr. WEBB. I have been proud of the fact that we have been working for Revlon.

Mr. ROGERS. And you thought you were doing a good job?

Mr. WEBB. We did our best.

Mr. ROGERS. Mr. Webb, everyone that had any reason to want to know that you were handling the advertising could have found out very easily, could they not?

Mr. WEBB. They certainly can, and particularly in reference to other media, they do. If there are complaints they come to us.

Mr. ROGERS. Have any representatives, members, or anyone else associated with the Federal Communications Commission ever discussed these matters with you?

Mr. WEBB. No, sir.

Mr. ROGERS. Has any representative, member, or anyone associated in any way with the Federal Trade Commission ever consulted you, or discussed these matters with you?

Mr. WEBB. No, sir.

Mr. ROGERS. Have they ever discussed any other matters with you, either of the Commissions, or any of their representatives since this thing first became an issue?

Mr. WEBB. No, sir.

I am pure and inviolate, as they say.

Mr. ROGERS. Thank you very much.

That is all, Mr. Chairman.

The CHAIRMAN. Mr. Bennett, do you have any questions?

Mr. BENNETT. Mr. Webb, were you present at any of these meetings when Mr. Abrams was there?

Mr. WEBB. Yes, sir.

Mr. BENNETT. Do you regard Mr. Abrams as a man of honesty and integrity? Maybe that is putting you on the spot.

Mr. WEBB. Well, you are. I don't know what Mr. Abrams is going to be doing next week. He may be a client. You don't want me to answer that.

Mr. BENNETT. This week Mr. Revson is.

Mr. WEBB. May I say this——

Mr. BENNETT. Your answer should be "Yes," then?

Mr. WEBB. May I say this, sir, in answer to your question, and it is not a direct answer. I was extremely surprised at hearing Mr. George Abrams' affidavit read into the record of this meeting. It seems as though we attended different meetings although we were there together.

Mr. BENNETT. Your recollection of the meetings is the same as that of Mr. Martin Revson?

Mr. WEBB. Yes, sir.

Mr. BENNETT. He is your present client?

Mr. WEBB. I thought you might say that, sir. Yes; he is.

Mr. BENNETT. I think it might have some bearing on it. Maybe it does not. I just want to get the facts here.

Mr. WEBB. Yes; we still represent a portion of the Revlon business.

Mr. BENNETT. How much of their business do you have? Do you know?

Mr. WEBB. We probably have about the smallest part. We do something less than \$2 million with them. Something less than \$2 million.

Mr. BENNETT. Would you mind telling us how much the account pays you?

Mr. WEBB. How much the total account is?

Mr. BENNETT. Per year.

Mr. WEBB. Pays us, sir?

Mr. BENNETT. Yes.

Mr. WEBB. I would say about \$230,000, \$240,000 in gross commissions.

Mr. BENNETT. How does that rank among your other present accounts?

Mr. WEBB. Revlon is about our fourth largest account.

Mr. BENNETT. I assume you would like to retain their account.

Mr. WEBB. Yes; we would like to retain their business. We would like to have more of it. But that is not the reason why I am here.

Mr. BENNETT. Who asked you to come here?

Mr. WEBB. The Revlon people asked me to come and tell what I knew.

Mr. BENNETT. Did you discuss your testimony with them?

Mr. WEBB. I discussed my testimony with Judge Rifkind.

Mr. BENNETT. Who?

Mr. WEBB. Judge Rifkind, who is one of the Revlon attorneys.

Mr. BENNETT. Did he ask you what you would testify to?

Mr. WEBB. Did he ask me what I would testify to?

Mr. BENNETT. Yes.

Mr. WEBB. He asked me as to what my knowledge was and I informed him as to what my knowledge was. I presume he thought I would testify to the same thing.

Mr. BENNETT. Did he ask you to testify before he listened to your story or afterward?

Mr. WEBB. I was asked to testify before Judge Rifkind listened to my story.

Mr. BENNETT. Did you discuss it with the Revson brothers?

Mr. WEBB. No, sir. The first time I saw them is when I arrived in Washington yesterday afternoon.

Mr. BENNETT. You have not talked to them since?

Mr. WEBB. I have talked to them, yes.

Mr. BENNETT. About your testimony?

Mr. WEBB. We have been sitting here. No, I have not mentioned my testimony.

Mr. BENNETT. Do you not think it is rather strange that there should be such divergent views about such a significant part of this operation between Mr. Abrams and Mr. Revson?

Mr. WEBB. I think it is strange.

Mr. BENNETT. And also on the part of yourself. It is true, is it not, Mr. Webb, that it was important to your client for a popular contestant to stay on the program?

Mr. WEBB. It was important to the whole popularity of the program, yes.

Mr. BENNETT. If he was a popular contestant the ratings were high. The viewing audience was larger if the ratings were higher.

Mr. WEBB. Generally that was the case.

Mr. BENNETT. So it was financially important to the Revson company that a popular contestant be continued on the program?

Mr. WEBB. It was important insofar as Revlon had an opportunity to place their advertising message in front of an increasingly greater number of people.

Mr. BENNETT. It was important to them financially; was it not? That is what it was boiled down to.

Mr. WEBB. We hoped that the commercials were good enough to sell the product; yes, sir.

Mr. BENNETT. And obviously they did.

Mr. WEBB. Yes, sir.

Mr. BENNETT. In your statement, you say this:

From time to time Martin Revson and George Abrams of Revlon expressed the hope that uninteresting contestants would leave the show.

Mr. WEBB. That is correct, sir.

Mr. BENNETT. Then you go on:

But to me this meant that EPI should reevaluate the contestants and not encourage them to try for a higher level.

Mr. WEBB. That is correct, sir.

Mr. BENNETT. Is that your impression of what was said or is that what Revson asked be done?

Mr. WEBB. I don't think there is any confusion about what was said. What was said is expressed in the first sentence. An uninteresting contestant should be encouraged to leave the show.

Mr. BENNETT. Your opinion is drawn from that statement?

Mr. WEBB. My opinion is drawn from that statement, plus the fact that I know that there were often—at least I have heard—that there were often meetings between the producers and the contestants in which the contestant and in some cases his family or her family would discuss with EPI whether it would be advisable for them to take their money and quit or go on.

Mr. BENNETT. You do not say anything about any conversation relative to keeping a popular contestant on the show. That, I assume, was also discussed.

Mr. WEBB. The hope was expressed that the popular contestant would survive, yes. And that it was discussed as to whether a popular contestant might come back and be used in another category.

Mr. BENNETT. Let us put it this way: What is there legitimately that the producer could do to keep a popular contestant on the show?

Mr. WEBB. I don't think there was anything legitimately that the producer could do to either keep a popular one on the show or knock an unpopular one.

Mr. BENNETT. You were then just wasting time when you were talking?

Mr. WEBB. Not at all. We were not talking about one contestant or two contestants. We were talking about a show, two shows, both of which had a fairly long life on the air.

Mr. BENNETT. If Revson said to—

Mr. WEBB. We were looking for types of contestants.

Mr. BENNETT. Just a minute. If Revson said to Koplin, "I hope you can keep Nadler on the show," was that not just so much wasted conversation unless Mr. Koplin got the hint and kept him on the show?

Mr. WEBB. That is your inference, sir, not mine.

Mr. BENNETT. Was the conversation meaningful unless something could be done?

Mr. WEBB. Yes, I think the conversation was meaningful because, as I say, the shows had a long life, and a contestant like that represented a type of contestant we should have more of or perhaps the contestant could be used again.

Mr. BENNETT. We are talking about one particular contestant. Undisputedly the conversation related to one popular contestant at these meetings.

Mr. WEBB. Yes, sir.

Mr. BENNETT. Or one unpopular contestant. The hope was expressed, "Let us keep this fellow on," or "We hope this fellow can stay on," that is your version of it. What I am saying is that there was not anything legitimately that the producer could do to bring that hope to fruition, and no one knew that better than Mr. Revson or yourself, for that matter. Thus, conversations about it were meaningless. I don't think you are the kind of man that would be engaging in meaningless conversations in important meetings of this kind.

Mr. WEBB. Of course, there were a lot of collateral things that were going in connection with a contestant, and plans for advertising and so forth and so on.

Mr. BENNETT. No matter what hopes were expressed by the sponsors there was not a single thing that the producers could legitimately do about it.

Mr. WEBB. I don't think so, no.

Mr. BENNETT. So if they did anything to help the sponsor in his wishes and his hopes they had to do something that was improper; did they not?

Mr. WEBB. That would certainly be the inference.

Mr. BENNETT. How do you think an unpopular or popular contestant could have been encouraged to go on or an unpopular contestant discouraged?

Mr. WEBB. As I say, my understanding was that there were frequent meetings in the producer's office with the contestants, at which time the producers were often asked by contestants as to whether they should go on or go off, take their money or quit. I never attended such a meeting so I never heard such a thing personally. But this is my understanding.

Mr. BENNETT. That is all.

The CHAIRMAN. Mr. Flynt.

Mr. FLYNT. No questions.

The CHAIRMAN. Mr. Derounian.

Mr. DEROUNIAN. Mr. Webb, in your testimony today, you state that until you read Mr. Cugat's testimony of yesterday, you did not suspect there was anything wrong with quiz programs. Is that the quiz programs you handled?

Mr. WEBB. I am talking about the "\$64,000 Question."

Mr. DEROUNIAN. What about the revelations on "Twenty-one," the district attorney's investigations about a year ago, were you alerted that something might be wrong with the "\$64,000 Question" or "Challenge"?

Mr. WEBB. No.

In our minds there was no connection between anything that might be happening on "Twenty-one" and anything that was being done on our programs which we believed were adequately supervised and purchased from a responsible organization.

Mr. DEROUNIAN. Did you make any searching inquiries through the producers at that time?

Mr. WEBB. Did I? No.

Mr. DEROUNIAN. You did not think it was necessary?

Mr. WEBB. I did not think it was necessary.

Mr. DEROUNIAN. You believed the producers, then, like NBC did, at the time they saw a little smoke? They just asked the producer, "Are these programs honest," and if the producer said, "Yes," you and NBC said "OK, thank God it is 'yes.'" They did nothing further and neither did you?

Mr. WEBB. I even believed Charles van Doren when he said that he was not being fed questions and answers.

Mr. DEROUNIAN. I did not think that advertising executives could be so naive. But I guess there are some.

I find a striking similarity between your statement and Mr. Martin Revson's statement. You both go into the question of Dr. Evans of Northwestern; you go into the Manufacturers Trust Co. You mean to say you have never discussed this with either one of the Revsons prior to the time you made the statement today?

Mr. WEBB. I mean to say that, sir, and I wrote the statement myself.

Mr. DEROUNIAN. What about Mr. Jaffe; did you discuss this with him?

Mr. WEBB. I had a meeting in Mr. Rifkind's office, with Mr. Rifkind, Mr. Jaffe, and others.

Mr. DEROUNIAN. Mr. Jaffe is an attorney for Revlon, too, is he not?

Mr. WEBB. That is right.

They simply examined me as to my knowledge and they told me to prepare a statement and I prepared it.

Mr. DEROUNIAN. It is the duty of the attorney to make sure that the client is protected and anything he can do to help the client is usually done.

You mean to say you did not go into the content of this with them?

Mr. WEBB. With whom?

Mr. DEROUNIAN. And they did not tell you that Mr. Revson was going to make such a statement and you were needed for corroboration?

Mr. WEBB. I did not see Mr. Revson's statement prior to the time I made my statement at all.

Mr. DEROUNIAN. Why did you hand these statements to Mr. Jaffe today instead of the subcommittee clerk?

Mr. WEBB. I didn't sir. I thought the statements had been passed out to you. I am very sorry they are not.

Mr. DEROUNIAN. I am not talking about the physical part. I am getting into the state of mind you were in and what help you may have received in preparing your statement because it is in complete variance with what was said yesterday, and this plot thickens day by day. Perhaps I do not blame you for trying to keep your \$230,000 because you are a normal human and so am I. But I know darn well if you made a statement corroborating Mr. Koplin yesterday, you would not have that \$230,000 tomorrow.

You know that, do you not?

Mr. WEBB. I was not coached in making this statement.

Mr. DEROUNIAN. Do you not know that if you made a statement in variance with Martin Revson's statement this morning, you would not have that account 2 minutes?

Mr. WEBB. May I remind you that Mr. Martin Revson is no longer with Revlon?

Mr. DEROUNIAN. Well, Charles Revson would bounce you in 2 minutes.

Mr. WEBB. I think you better ask him that.

Mr. DEROUNIAN. I will, and I will ask him a lot of other questions.

Mr. Chairman, may I say, it turns out now that some of these advertising agencies who have been so naive may need a little lesson in not being so naive in the future. They certainly share a great part of this responsibility along with the networks. It seems inconceivable to me that an adult could be at these meetings where there are three other adults all working in close harmony up to the point that this mess was exposed, and suddenly, after yesterday's testimony, we have the former vice president who was running the show, and the president of the new advertising agency, making statements whitewashing the sponsor.

We will have some action on this, I assure you.

I have no further questions.

The CHAIRMAN. Mr. Moss.

Mr. Moss. Mr. Webb, what part of the Revlon business did you have at the time you participated in these meetings? Was yours the agency which handled the "\$64,000 Question" or the "Challenge"?

Mr. WEBB. No, sir. We never were the so-called agency of record for the "\$64,000 Question." We were the agency of record for the "\$64,000 Challenge."

Mr. Moss. For how long?

Mr. WEBB. Let me look at my notes and I will tell you.

It was from the time of its inception until the time that Revlon turned that show also over to B.B.D. & O. The inception of the show was, I believe, in April, and I believe B.B.D. & O. got it in October.

Mr. Moss. Of what year?

Mr. WEBB. Of 1956.

Mr. Moss. Of 1956?

Mr. WEBB. Yes.

Mr. Moss. Did you attend the meetings which were recorded on the memorandums documents which have been discussed here today?

Mr. WEBB. If you mean the meetings where—

Mr. Moss. Reported by Mr. Ward of B.B.D. & O.

Mr. WEBB. No, I did not happen to be at those, sir. I think I already answered that question.

Mr. Moss. So you have no knowledge, then, as to whether or not the content of those memorandums is a correct statement?

Mr. WEBB. No, sir; I do not.

Mr. Moss. And you cannot categorically state, then, that there has been no such discussion as that reported in those memorandums?

Mr. WEBB. I cannot categorically state that those discussions did not occur. I was not there.

Mr. Moss. When was the last time you attended a meeting?

Mr. WEBB. It was sometime in the fall of 1957, if it was one of these regular meetings.

Mr. Moss. You did not attend when you were no longer the agency of record for the program?

Mr. WEBB. You see, very often the agencies would be asked to come into these meetings when there was a question of commercial integration and we had commercials on the show the following week.

Mr. MOSS. Did you handle the production of commercials, or arrange for the production of the commercials used on the program?

Mr. WEBB. That is our primary responsibility, sir, the commercial business.

Mr. MOSS. That was your primary responsibility? You were not, then, concerned with other parts of the operation?

Mr. WEBB. We had nothing to do with the contractual arrangements between Revlon, EPI, concerning the "\$64,000 Challenge"—the drawing up of the contracts, et cetera.

Mr. MOSS. Do you know Mr. Koplin and Mr. Carlin?

Mr. WEBB. Yes, indeed.

Mr. MOSS. Do you regard them as men of integrity?

Mr. WEBB. Well, now—

Mr. MOSS. I want the answer.

Mr. WEBB. I regarded them as men of integrity until I heard their testimony, sir.

Mr. MOSS. Are you of the opinion that a conspiracy has developed between Mr. Abrams, Mr. Carlin, and Mr. Koplin, and that they have carefully prepared for this conspiracy by going back and causing Mr. Ward to write a memorandum which appears on the face to substantiate fully the statements they have made?

Mr. WEBB. Of course not. That would be ridiculous to answer "Yes" to that.

Mr. MOSS. It would be ridiculous, would it not?

Mr. WEBB. Yes.

Mr. MOSS. Is not that the fact which has now developed before this subcommittee: that we have Mr. Carlin, a man of integrity, who testified in detail as to the knowledge of the sponsors and the role of the sponsors in bringing about desired results on these shows? His testimony supported fully the testimony of Mr. Koplin.

Mr. Abrams' affidavit fully supports that.

In addition, we have the memorandums themselves which I have read and which appear on their face to also support it. Do you feel that these gentlemen have all erred as to what went on at these meetings?

Mr. WEBB. Mr. Moss, you asked me if I think they are men of integrity. After these gentlemen have gotten up in front of this subcommittee and admitted the type of rigging and wrongdoing that they have admitted, how could I possibly conceive them to be men of integrity?

Mr. MOSS. Of course, the rigging was so general that you must have great difficulty in dealing with many of your associates who are men of integrity.

Mr. WEBB. I don't understand.

Mr. MOSS. Many of the people with whom you associate in the broadcasting business—as the result of the revelations here, you must have great difficulty regarding many of them as being men of integrity.

Mr. WEBB. I think we are in a business that is as honest as any other business you can find, sir.

Mr. Moss. That stretches my something or other. I do not think that the evidence before this subcommittee would tend to support that.

How long have you dealt with radio and television programs? Or have you dealt with any previous type quiz shows?

Mr. WEBB. No, sir; never before this.

Mr. Moss. This is the only account you had involving a quiz show?

Mr. WEBB. Yes.

Mr. Moss. You indicated that until yesterday you had not felt that this was a show where a fix had taken place?

Mr. WEBB. That is correct.

Mr. Moss. Were you not slightly suspicious when the shows were taken off the air?

Mr. WEBB. As a matter of fact, no; because one of the recommendations we made to the client sometime before the shows were taken off the air was that they be taken off because they were waning in popularity.

Mr. Moss. When did they start that fall in popularity?

Mr. WEBB. Pardon me?

Mr. Moss. When did they commence this fall in popularity?

Mr. WEBB. Again, I cannot remember the exact date; but I think it was in early 1958, that some of the ratings slid.

Mr. Moss. Is that when some of the rumors on fixing were circulated?

Mr. WEBB. I don't know. You have the information on that.

Mr. Moss. Were you aware of the rumors?

Mr. WEBB. I was aware of the rumors. But I can't tell you that it occurred at that time.

Mr. Moss. Did you ever ask anyone in connection with the producers whether there was truth to the rumors?

Mr. WEBB. No, but I seem to recall being in one of the meetings where that question was brought up by Mr. Revson.

Mr. Moss. Could you tell us about that meeting?

Mr. WEBB. Where the question was brought up as to whether there was—oh, this had to do with advance publicity going out on a contestant, and all Cain was raised in that meeting by Mr. Revson in issuing any publicity on who was going to be a contestant on the show and who was not until such time as it had been actually determined who was going to be the contestant.

Mr. Moss. Do you have other accounts sponsoring radio or television programs?

Mr. WEBB. Yes, sir; we do.

Mr. Moss. Is it the custom for the sponsor to supervise so closely the shows he sponsors as was characteristic of the Revlon account?

Mr. WEBB. I think probably the best way for me to answer that to you, sir, is to say that Revlon, because advertising is so important to them and takes up such a large part of their sales dollar, are much more concerned than would other types of advertisers be where advertising is less important in the eventual sale.

Mr. Moss. Then your answer would be "Yes"?

Mr. WEBB. My answer is that among our clients, Revlon gives their advertising of all descriptions a greater combing over before it ever appears than any other client we have.

Mr. Moss. I am not talking of the combing over. I am talking of the supervision of the show, because these weekly meetings appear to have been, for all purposes, effective supervision.

Do you have any other accounts where that degree of supervision of the sponsored show takes place?

Mr. WEBB. Where that degree of interest takes place; no sir.

Mr. Moss. That is all the questions I have at the moment, Mr. Chairman.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. Mr. Webb, do you have any other accounts with cosmetic houses?

Mr. WEBB. No, sir. It is not the custom in our business to maintain competitive accounts.

Mr. DEVINE. Are you, in your particular agency, a competitor with Batton, Barton, Durstine & Osborn?

Mr. WEBB. Oh, that is a tough one. Their list of accounts is as long as my arm. I have 15 accounts.

Mr. DEVINE. You are in the same general business area; are you not?

Mr. WEBB. Yes. I honestly can't answer you as to whether any of the B.B.D. & O. accounts are in competition with any of our accounts or not.

Mr. DEVINE. Didn't you—

Mr. WEBB. Yes, they are. Now, wait. We handle some brands for Hiram Walker and B.B.D. & O. handles some brands for Schenley. They are competitive companies.

Mr. DEVINE. Did you succeed them or did they succeed you with the Revlon people?

Mr. WEBB. Neither was the case, sir. We were an agency for Revlon before B.B.D. & O came into the picture, and we still remained an agency for Revlon after they went out.

Mr. DEVINE. Do you know any of the reasons why they changed advertising agencies? I understand there were three or four or five involved.

Mr. WEBB. I think Mr. Martin Revson gave you the accurate answer to that this morning in his testimony when he said that the questions that came up were largely questions of the creative ability of the agency in the judgment of Revlon management and advertising staff.

Mr. DEVINE. Is that common?

Mr. WEBB. That is where we will stand or fall with Revlon.

Mr. DEVINE. Is that common in your industry, that accounts change from advertising agencies quite frequently over a period of, say, 8 years?

Mr. WEBB. Unfortunately, yes.

Mr. DEVINE. Do you know, Mr. Webb, what rift, if any, existed between the Revson brothers, and why one split off?

Mr. WEBB. No, sir. That has never been discussed with me by anyone.

Mr. DEVINE. You know nothing of your own knowledge?

Mr. WEBB. No, sir.

Mr. DEVINE. You then would not know whether or not this relationship broke off because of the "\$64,000 Question" or "Challenge" programs?

Mr. WEBB. No, sir, I would not know that.

Mr. DEVINE. I think that is all, Mr. Chairman.

The CHAIRMAN. Mr. Webb, thank you very much for your appearance. You may be excused.

Mr. WEBB. I am happy to have gotten attention almost from everybody up there. Thank you.

The CHAIRMAN. Mr. Revson, after the delay, you may resume your testimony. Mr. Flynt.

TESTIMONY OF MARTIN REVSON—Resumed

Mr. REVSON. May I say, Mr. Chairman, I am sorry I was late. I was at the Hotel Statler. One restroom was busy and I went to the other, and it was busy and I went upstairs.

The CHAIRMAN. That is understandable.

Do you have any questions, Mr. Flynt?

Mr. FLYNT. No.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. No.

The CHAIRMAN. Mr. Moss.

Mr. MOSS. Yes, I have some.

Mr. Revson, I told you this morning that I wanted to pursue a little further with you this statement in the June 8, 1955, letter as to rigging. I have had an opportunity to study the memorandum, and I find that in preparing it, it was very carefully broken down as to the subject. First, there was a discussion of the two contestants. It was stated that they were possibly a little too good looking and a little too bright for the real good of the show.

Granted an opening night may need a little bit of rigging, but we have to realize that we are getting an awful close look on the home screen and nothing will make Revlon look worse than if the public thinks there is some kind of trickery going on behind the scenes.

Now, this is not rigging of anything but contestants, because we go on and we have a discussion then of the performance of the master of ceremonies. It is carefully segregated. Then a discussion of the scenery. Then the main title, styling, which is part and parcel of the whole Revlon concept. Then a discussion of the commercials. This is a careful analysis of that first show. It is only in this connection, in the paragraph clearly dealing with the contestants, that the question of rigging, and opening night may need "a little bit of rigging" to make it come off properly. How could you possibly conclude that there was not the slightest connotation of a fix on the contestants?

Mr. REVSON. There positively was not the slightest connotation on the part of the writer because at that particular time, as I recall, we reviewed the suggestions that he made, and he didn't have that in mind at all.

Mr. MOSS. I asked you this morning if you discussed this with him and you said "No."

Mr. REVSON. I didn't discuss it with him. We discussed this particular memorandum at the meeting. We discussed a lot of other suggestions at the meeting. I remember this particular memorandum. I don't remember the word. But I remember discussing the whole aspects of the memorandum as to the dramatic effect of it. This particular individual, Al Ward, as I recall, was in drama at one

time. He was an actor. His whole viewpoint toward a show was in terms of drama. That is one of the reasons he talked like that in his memorandum.

Mr. Moss. Of course, that seems to be the approach of almost everyone, regarding this as a show, a dramatic presentation. There was an effort always to heighten it. You were concerned with that, too?

Mr. REVSON. Yes.

Mr. Moss. To heighten the dramatic effect of the show?

Mr. REVSON. Yes.

Mr. Moss. You discussed in these meetings many details of the program?

Mr. REVSON. Yes, sir.

Mr. Moss. And you discussed the merits or the lack of merits or the drawing ability of the various contestants then on the program?

Mr. REVSON. Yes, sir.

Mr. Moss. Did you or did you not express a feeling, colorfully or otherwise, that certain contestants were not doing the show any good in enhancing its appeal to the public?

Mr. REVSON. I am sure I did. I don't know why so much emphasis at this hearing has been put on my picturesque and colorful language.

Mr. Moss. I didn't put it there. Others did.

Mr. REVSON. Yes. That is what I am saying.

Mr. Moss. I am not concerned about it. I just asked you if you did it plain or otherwise.

Mr. REVSON. I am happy you are not concerned about it because I don't think it has any relevance. Now, to answer your question, certainly I may have used words and language different from what I am using here.

Mr. Moss. I am not concerned about that. That is not what I asked you.

Mr. REVSON. Please ask the question again.

Mr. Moss. Did you discuss the desirability of certain contestants, or express the hope that others would be terminated soon?

Mr. REVSON. I can't say that I did express the hope that others would be terminated soon. I only expressed the thought that we liked some contestants, we didn't like other contestants, that I expressed very strongly, as I said this morning, in expressing that opinion, I had in mind the kind of contestants we wanted on the show. I continually served up these names, like Hanlon, McCutcheon, Myrt Powers, Peter Freuchen, Gino Prado.

Mr. Moss. Were you willing, then, to indicate quite clearly to the producers that you had a better feeling toward some contestants than toward others?

Mr. REVSON. I viewed some contestants as more interesting than others, yes, sir.

Mr. Moss. Didn't you discuss at these meetings the program which had been broadcast then previous to the meeting?

Mr. REVSON. Yes.

Mr. Moss. In effect, you exercised a very close and continuing interest in all aspects of the program?

Mr. REVSON. That is accurate.

Mr. Moss. Even beyond that which you carefully spelled out today in your statement when you take the contract terms which you cite

here. Your supervision did not in fact leave it solely to the producer. There was a very active, aggressive interest which attempted to keep the producers on their toes, as you saw it?

Mr. REVSON. Absolutely. I would like to say further that we found it necessary to keep the producers on their toes, because when the rating was going good we got the impression that they were taking it easy; they were lax. They were not getting the contestants that they should be getting. They were not hunting and probing as they should have been hunting and probing. When we said, "Why don't you get more contestants?" they said, "They are not writing." We said, "We will give you money to go out and get contestants." We did give them money and they sent out scouts to radio and television stations to get more contestants.

Mr. MOSS. You went beyond the terms of your contract to provide additional funds?

Mr. REVSON. We certainly did.

Mr. MOSS. To meet your needs?

Mr. REVSON. Absolutely.

Mr. MOSS. You heard Mr. Abrams' statement? You are familiar with the memorandum?

Mr. REVSON. Yes, I am.

Mr. MOSS. You acknowledge that those memorandums were prepared concurrently with the meetings which were held?

Mr. REVSON. Yes, sir.

Mr. MOSS. You heard the testimony yesterday of Mr. Carlin and Mr. Koplin?

Mr. REVSON. Yes, sir.

Mr. MOSS. Do you feel that those gentlemen have entered into a conspiracy against you?

Mr. REVSON. No, sir.

Mr. MOSS. Do you feel that they have all committed the same error in reporting what went on in those meetings?

Mr. REVSON. No, sir. I feel that Mr. Carlin and Mr. Koplin have entered into a conspiracy. As far as Mr. Abrams is concerned, I would say that if he has more information and knowledge as regards the show than I do, it is because he had more contact with the producers than I had.

Mr. MOSS. His statement goes to meetings.

Mr. REVSON. This was never discussed at the meetings.

Mr. MOSS. You say that each of these gentlemen and the apparent content of the memorandum err, whenever they refer to any discussions where the sponsor attempted in any way to influence the length of time a contestant would stay on the show; is that correct?

Mr. REVSON. That is right. In other words, yesterday Mr. Carlin and Mr. Koplin stated, if I remember correctly, that they never discussed controls at the meeting.

Mr. MOSS. Oh, I beg your pardon.

Mr. REVSON. Oh, yes; they said they never discussed controls at the meeting. I remember that distinctly. Both of them testified to that.

Mr. MOSS. We will do a little refreshing on that.

Mr. REVSON. Yes, Mr. MOSS, they both stated that.

Mr. Moss. It is not my best recollection, however. It is not the impression I gained.

Mr. REVSON. Yes, they did.

Mr. Moss. I observed them both rather closely. Did they also say that you had never expressed pointedly a desire to get rid of a contestant?

Mr. REVSON. I don't know whether they stated that or not.

Mr. Moss. You have a very clear recollection on part of it. You should have equally clear recollection on the rest of it.

Mr. REVSON. But I don't, sir. I have a recollection on that because they repeated and repeated that.

Mr. Moss. I am developing the ability to live with almost any reaction from people who appear before this subcommittee. It is very interesting.

Mr. REVSON. I am very happy for your attitude.

Mr. Moss. And probably we will have others. In supervising this particular or these two shows——

Mr. REVSON. Yes.

Mr. Moss. Did you attempt to fully inform yourself of practices, customs, and methods of producing better shows?

Mr. REVSON. I thought I was; yes, sir.

Mr. Moss. You were in close contact with all of these people in production?

Mr. REVSON. I thought I was. I was not in as close contact as George Abrams was, because he saw them more regularly, he attended more shows than I did, and he had more conversations with them on the telephone than I did.

Mr. Moss. I am continually amazed by how much knowledge there was about the format of fixed shows floating around these producers. I refer now to some exchanges between Mr. Lishman and another witness. For example, Mr. Jurist.

Mr. REVSON. Mr. Moss, can I just add something to the previous statement I made, and you have a right to know this. As executive vice president of the company, advertising was only one of my responsibilities. You recognize that.

Mr. Moss. I can well imagine it would be just one of your responsibilities.

Mr. REVSON. Yes. Also, that many of the things that went on, you can appreciate that I was not familiar with, but what I have testified here is the truth and to the knowledge that I had at the time these things went on.

Mr. Moss. I would be more inclined to accept your statement were it not for the fact of these weekly meetings where there was very exhausting discussion of the previous programs, where there were free exchanges of views and critical comment and opinion.

In view of that fact, this is a role which I understand is not ordinarily taken by a sponsor.

Mr. REVSON. But it was done by us.

Mr. Moss. It was done by you?

Mr. REVSON. No; we did it with other shows. Shall I name them?

Mr. Moss. I do not doubt it.

You undoubtedly were extremely thorough in keeping close tabs on these very valuable investments.

Mr. REVSON. That is right.

Mr. MOSS. And they were that; were they not?

Mr. REVSON. We thought they were; yes, sir.

Mr. MOSS. Do you realize that every producer who has testified before this subcommittee has acknowledged that the format of control always existed on quiz-type shows, back even to the days of "Quiz Kids"?

Mr. REVSON. This is news to me.

Mr. MOSS. This was so common——

Mr. REVSON. I never knew it.

Mr. MOSS. That they never had to instruct a member of their staff when they hired one; by some peculiar osmosis they just knew that this was the custom. Yet you had no knowledge——

Mr. REVSON. No.

Mr. MOSS. The networks had no knowledge?

Mr. REVSON. That is correct.

Mr. MOSS. No one knew a thing about it?

Mr. REVSON. That is correct.

It is hard to believe, but it is the truth. Why did Mr. Koplin say yesterday that the controls on the "\$64,000 Question" show were not put in until 7 or 8 weeks after the show originated? Why did he say also Mr. Steve Carlin——

Mr. MOSS. I am not going to answer for Mr. Koplin. If you want to find those things out you ask him.

Mr. REVSON. No; he said that.

Mr. MOSS. I am cognizant of his testimony. I am also cognizant of the fact that he stated that they very carefully interviewed every contestant.

This is a very key part of the process of controlling a show. Now, they may not have accelerated control or made it in greater depth, but when they designed their questions to reach only the areas of knowledge clearly demonstrated in the interview, they at that point and from the first show exercised their control.

I think the memo which you and I have discussed, where we have a different view as to what was meant, would be taken by most people as very strong evidence that the control did in fact exist on the first show.

Mr. REVSON. I would like to have Mr. Ward come here and testify what he meant by that. I think it was an innocent statement.

Mr. MOSS. I am satisfied.

Mr. REVSON. I think it was a very innocent statement there.

Mr. MOSS. I am satisfied with the conclusions I have reached. I think they are fully supported by the record, including his testimony, and including the testimony of Mr. Carlin and Mr. Jurist, who had to do with one of the programs.

Mr. REVSON. I think you recognize, Mr. Moss, that since the big question at this hearing is regarding controls and whether we knew about the controls, I personally knew about them, we have to refer to yesterday's testimony of Mr. Koplin in answer to the questions of some of the committee. He repeatedly said—he repeatedly said in his testimony——

Mr. MOSS. You are becoming argumentative. The record is made.

Now I will ask you about the Cugat show.

Mr. REVSON. Did he discuss it with us?

Mr. MOSS. Yes. At any of these weekly meetings did you discuss the show with Mr. Cugat?

Mr. REVSON. When was the Cugat show? I don't remember.

Mr. MOSS. I do not know when it was. You remember Cugat?

Mr. REVSON. I was away from Revlon. That is the reason I say that. I was away from Revlon.

Mr. MOSS. I only ask you if it was discussed. I did not ask you when it was. You either recall when it was, or was not?

Mr. REVSON. No.

Mr. MOSS. It was June 1958, 2 months after you left. Obviously, it was not discussed.

Mr. CHAIRMAN, that is all I have.

Mr. FLYNT. Mr. Chairman.

The CHAIRMAN. Mr. Flynt.

Mr. FLYNT. Mr. Revson, were you aware of the fact that Miss Joyce Brothers was represented to television audiences as being an expert in boxing when, prior to the time she came there for her original screening, she had very little knowledge of that subject?

Mr. REVSON. Yes, sir; I knew that.

Mr. FLYNT. Did you consider that a deceptive practice?

Mr. REVSON. Yes, sir; I certainly did, because I thought this was great, that a person who knew nothing could know something like that in so short a period of time.

Mr. FLYNT. So that is one example where you knew of the deception being practiced and condoned it in its entirety.

Mr. REVSON. No; there was no deception involved there. None at all. We were told after Joyce Brothers was on the show, that here is a girl that is so smart, so knowledgeable, that she didn't know anything about boxing sometime before she took it up. She had such an encyclopedic mind that she picked it up and remembered all these things.

Mr. FLYNT. If anybody is provided questions and answers or either one of them in advance, and a category is set out with definiteness, then do you think that shows any great extent of brilliance on the part of that person?

Mr. REVSON. I don't know about that. I will report to you as I know her story. When she appeared on the program and she knew so much about boxing, I wondered how she knew so much about boxing. I was told by the producer of the show that here is a girl, this psychologist, who has a tremendous mind, tremendous memory, and she boned up on boxing in a short period of time.

I knew nothing else about the stories until—I knew nothing else about the story until I heard the questions as explained by Mert Koplin.

Mr. FLYNT. Should not that have put you on notice if you were not already on notice, that these people were not only getting a very thorough screening, but getting considerable assistance?

Mr. REVSON. No; I never even thought of that. I never considered that they were getting assistance.

Mr. FLYNT. What category did she first appear before the EPI people?

Mr. REVSON. I never knew her.

Mr. FLYNT. As an expert.

Mr. REVSON. I never knew her.

Mr. FLYNT. You knew she was not an expert on boxing?

Mr. REVSON. Yes; I did, from what they told me. They said she boned up on boxing.

I recognized from their explanation that this girl came to them and said "I have boned up on boxing. I would like to appear as a boxing expert."

I didn't know until yesterday, as Mert Koplin explained it, that she came on other subjects and that they told her to go back and bone up on boxing. I didn't know that.

Mr. FLYNT. You told me a few minutes ago that you knew she was presented to the public as an expert in this particular subject?

Mr. REVSON. Yes; she was.

Mr. FLYNT. But only after she had had very thorough screening and being furnished with questions and answers?

Mr. REVSON. This is news to me. I never knew anything about it. This is brand new.

Mr. FLYNT. That is all.

The CHAIRMAN. Mr. Rogers?

Mr. ROGERS. Mr. Revson, just one question:

Are you asking this subcommittee to believe that you did not know anything about this?

Mr. REVSON. About what, sir?

Mr. ROGERS. About the riggings of these shows?

Mr. REVSON. I certainly am.

Mr. ROGERS. Wait a minute. I have not finished the question.

And if you had known, about these riggings, you would not have had anything further to do with the show, even though the show catapulted your sales by millions of dollars?

Mr. REVSON. That is correct, sir.

Mr. ROGERS. And that is your statement; you are taking the position that even with those facts that you would have had nothing to do with the show if you had any idea that they were fixed, or unduly controlled?

Mr. REVSON. Absolutely.

Mr. ROGERS. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Bennett?

Mr. BENNETT. I have just one question, Mr. Revson:

With regard to these weekly meetings that you had with the producers, Mr. Abrams said in his sworn affidavit:

Decisions were arrived at about contestants, who should continue on the "Question," how a match should go on the "Challenge," and the sponsor and the agency expected that the decisions would be carried out with a high degree of accuracy.

Now, my question is this:

Is that statement in fact true or false?

Mr. REVSON. I would say it was false.

The CHAIRMAN. Mr. Revson, I indicated to you at the outset that there were going to be a good many questions asked. Of course, time has proven that to be true. As I indicated also to you, your statement and the premises on which it was based, would necessitate these

questions. It raises quite an important question here. It is this subcommittee's duty and responsibility to go at matters with the objective of possible corrective legislation, or what legislation may be needed.

But when other things get into the hearings, then, of course, it requires not only this subcommittee, but others who might have responsibilities in this regard to get them clarified in order to find out what the truth is.

I am sure you understand that situation.

Mr. REVSON. Yes, I do.

The CHAIRMAN. So with that, thank you.

Mr. ROGERS. Mr. Chairman, let me ask one more question. It has not been asked and I am sorry I was absent.

Mr. Revson, have you ever discussed this matter or any other matter concerning your business with the Federal Communications Commission or the Federal Trade Commission or any representative of either of those agencies?

Mr. REVSON. No, sir.

Mr. ROGERS. Have they ever approached you in any manner to get any information as to whether these shows were rigged, or not?

Mr. REVSON. Not to my knowledge.

Mr. ROGERS. That is all, Mr. Chairman.

The CHAIRMAN. You may be excused with the thanks of the subcommittee.

Mr. REVSON. Thank you, sir.

The CHAIRMAN. Mr. Charles Revson.

TESTIMONY OF CHARLES REVSON, ACCCOMPANIED BY HIS ATTORNEY, CLARK M. CLIFFORD

The CHAIRMAN. Will you be sworn. Do you solemnly swear that the testimony you give to this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. REVSON. I do.

The CHAIRMAN. Will you state your name for the record?

Mr. REVSON. My name is Charles Revson.

The CHAIRMAN. Identify yourself.

Mr. REVSON. I am the president of the Revlon Co.

The CHAIRMAN. Your address?

Mr. REVSON. My address is 294 Forest Avenue, Rye, N.Y.

The CHAIRMAN. I observe that you have counsel with you to advise you of your constitutional rights.

Mr. REVSON. Yes, I do.

The CHAIRMAN. Let the record show it.

Mr. CLIFFORD. My name is Clark M. Clifford. I am an attorney in the District of Columbia. My office is at 1525 L Street. I appear here as counsel for Mr. Charles Revson.

The CHAIRMAN. Mr. Revson, I observe that you have a statement. Do you desire to make your statement at the outset?

Mr. REVSON. Yes, I do.

The CHAIRMAN. Would you proceed?

Mr. REVSON. My name is Charles Revson. I am president of Revlon.

I appreciate the opportunity to appear before this committee because I want to put the record straight, especially about some statements which were made here yesterday.

It seems obvious to me that attempts are being made by the producers to shift the responsibility for the abuses which you are exposing. It seems obvious to me that those who rigged the quiz shows would have you believe that pressure from my company made them do so. That is not the fact and it is facts that I would like to present to you today.

I helped to start Revlon more than 27 years ago. Today it is one of the important manufacturers of cosmetics and toiletries in the United States, and our sales are worldwide.

The record of our growth and the public acceptance of the products that Revlon makes is the best proof that we run a solid and substantial business. We have too much at stake to do anything ourselves or to allow anybody else to do anything, if we can help it, which would reflect unfavorably upon us as a company.

And this is where the "\$64,000 Question" comes into the picture.

In the spring of 1955, one of the advertising agencies came to us with a quiz show that they had been trying to sell around the advertising business without success. That was the "\$64,000 Question," a show devised by Louis G. Cowan, Inc. I knew Mr. Cowan and I had and still have a great deal of respect for him and for his ideas. In my opinion, nobody could question his integrity. At Revlon we thought he had a good idea in this program. We felt it was a good risk and we took it.

I wish that you would just try to think back to 4 years ago when the "\$64,000 Question" went on the air. It was a fascinating show. It was the nearest thing to an overnight success that I can recall in the history of the business. It had an emotional appeal to millions of people, including myself.

I never missed a show if I could possibly help it. I would walk out of a theater in the middle of a play just to watch the show on Tuesday nights. I would sneak out of banquets when I should have been listening to the speeches, to make sure that I'd see whether the Italian shoemaker would win \$32,000 by answering a question on Italian opera.

That's the effect the show had on me. Sure, I was the sponsor, but I was just like the rest of the millions of Americans who had been caught up in the drama of this program.

If I had known that these shows were fixed, crooked, rigged, do you think for 1 minute that I would have watched or bothered this way? And yet I heard for the first time last week, and you heard the testimony yesterday, that they were even rigging the show right from the start with some of the earliest contestants. This was a time when the "\$64,000 Question" was at the peak, when its ratings were at their highest. I was absolutely flabbergasted.

Now this is the way the situation was while the shows were on the air:

I was head of a company that made good cosmetics, and its reputation meant as much to me as my own. Our sales had been growing from the first year the company was founded, and they are still grow-

ing at a nice rate now. We were sponsoring first one, then two, quiz shows which quickly attracted the highest ratings in the business.

I thought the shows were good. I thought the shows were honest. If I had had any suspicion that they were not, we never would have taken them in the first place. It wouldn't make sense to risk the goodwill built in 24 years by putting on and keeping on a phony quiz show—no matter how good its ratings were.

We did not own either of these programs.

We leased them from Entertainment Productions, Inc., the producing firm that succeeded Louis G. Cowan, Inc.

Entertainment Productions, Inc., owned the show and they had complete control over everything on it except the commercials.

In other words, Entertainment Productions, Inc., was the boss; we paid the bills, and we had the right to make suggestions. We had no other right—the producers had the final say about the programs. That's the way the contract reads and that's the way the contract worked from the beginning until the end.

We pay close attention to all of our advertising, as we do every other phase of our operations. We have always worked closely with our advertising agencies and we wanted to work closely with the producers of the show. So, Revlon did make suggestions to the producers. Our people had a meeting every week with the producers and with the advertising agency. As a rule, I never attended these meetings. I left that up to the officers of Revlon in charge of advertising—Martin Revson, executive vice president, and George Abrams, vice president in charge of advertising.

Now here are the types of things we were interested in. First we wanted the show to stay good and improve. We were particularly interested in the quality of the contestants, variety in the contestants.

As time went on we thought there should be more categories. We also had some suggestions about the pacing of the show.

Now all of these things that we suggested dealt with the quality of the show. We wanted to see interest sustained in "The Question" and "The Challenge." But we never suggested and we never imagined that the producers would tamper with the honesty and integrity of the questions or the contestants themselves. That would destroy the whole basis of the program.

We made the suggestions; the producer could accept them or not. Sometimes he did; sometimes he didn't.

It was my responsibility and Revlon's responsibility to offer advice to help make this show as attractive and entertaining as possible. We wanted it to continue to be something that the people of America could look forward to every week.

It was our obligation to offer suggestions so that the show fit in with the character of our company. We wanted the producers to provide interesting contestants, and interesting categories.

It never occurred to us that we should have to police the show as well, because we never received a complaint concerning the honesty of the show until the spring of 1958. In fact, I personally didn't hear about it until the late summer of 1958.

The first complaint that we received came from a contestant who appeared on "The Challenge" in March 1958. He thought he had been cheated. He came to Revlon's vice president in charge of adver-

tising and told him that his opponent received help. Mr. Abrams called in the producers for an explanation. They said the complaint was ridiculous. They said it was purely accidental that the opponent had been asked the questions before the program that were later asked of him on the air. They swore up and down that they had no intention of favoring one contestant over another. They denied emphatically that they had given actual questions or answers to any contestant in advance, except with the remote possibility of accident.

Mr. Abrams didn't even tell me about this until several months later when the complaining contestant appeared again. This time the contestant told him that the district attorney of New York County had asked him to come down for a walk. It turned out that the contestant had written to many of his friends claiming that the "\$64,000 Challenge" was a hoax and he wanted his friends to know that he wasn't as stupid as he appeared to be on the program when he was defeated.

I was deeply concerned as soon as I heard about this. I immediately asked our counsel to investigate. The producers were called in once again, and once again they protested that nothing dishonest had been done and that it was a purely accidental coincidence.

In the meantime, another quiz program on another network, "Twenty-one," had come under attack. I became convinced that the producers of all quiz shows should form an association and announce it immediately. I thought that they should pick a man of high integrity and impeccable reputation to head it up, and make him the "czar" of the quiz and contest shows. I thought that they should have such a "czar" police the industry so that nobody could question the honesty of these programs, the same as in baseball.

I talked this over first with George Abrams and our radio and television counsel and they both agreed with me. I talked this over then with Mr. Cowan of CBS-TV to get his advice and any support he could give for such an idea. He expressed his opinion that the networks themselves could not be a part of the "czar" setup and I agreed with him.

Then I asked our special counsel, Mr. William Jaffe, to present the idea to EPI, the producers. They didn't like the idea and now I can understand why. Again they repeated their denials that they had done anything wrong and said that if they went along in creating an association of quiz-show producers, and if they helped to hire a "czar" to police the business, that would be an admission of guilt. So they didn't.

But I kept the idea in back of my head anyhow.

Then on September 6, 1958, another "\$64,000 Challenge" contestant said in a newspaper interview that he had received help in winning \$4,000 on the show. A meeting was arranged almost immediately on the same day the story appeared in New York. Mr. Jaffe was there for Revlon. CBS was there. EPI was there. Our cosponsor, P. Lorillard & Co., was there. Mr. Thomas Fisher, attorney for CBS, had spoken by phone with the contestant, who had confirmed the story he had given to the press. This meeting of the network, the producers and the sponsors went on for about 6 hours and most of that time was spent questioning the representatives of the producing company, including Mr. Carlin who appeared before you yesterday.

Again, just as the first time when they had been questioned by Revlon, just as the second time when they had been questioned by our attorneys, they said there was nothing to it. They maintained they had done nothing wrong and that "coincidence" was responsible if the contestant thought that he had received some aid.

The "\$64,000 Challenge" was to go on the air the next day. Mr. Jaffe asked whether CBS would let the show go on. The CBS lawyers didn't think as yet the evidence was significant to justify such action. Apparently the representatives of the other sponsor, P. Lorillard & Co., concurred in the same opinion.

The necessity for a "czar" was still strong in my mind. So 2 days later I again made the suggestion at another meeting. I argued that there had to be a quiz-show "czar," that the integrity of these shows and their value as an entertainment medium and an advertising medium could only be saved and the public could only be protected if such a "czar" were appointed. Please bear in mind that this suggestion was made more than a year ago.

I also argued that such a "czar" ought to be able to make his own investigation with his own staff to find out if any rigging had occurred and, if it had, how it was done.

Nobody else at the meeting liked the idea and I got no support.

But at least CBS was concerned enough about the situation so that it started its own investigation. At my request Mr. Jaffe was present at at least three sessions when contestants were called in and examined by CBS. None of these contestants knew or would admit to knowing of any wrongdoing with respect to their shows.

By now I was fed up with quiz shows. We had had accusations, but no evidence. The producers continued to protest their innocence. CBS had found no evidence of dishonesty in its investigation of the contestants. But I still felt that the publicity about what seemed to be dishonesty on other quiz shows with which we had no part had damaged all the shows' reputations beyond repair.

So it was then that I decided that Revlon would no longer sponsor the "\$64,000 Question" even though nobody had complained up to that time about this program.

Finally, in November 1958, both CBS and P. Lorillard agreed to this. The three of us reached a settlement terminating the contract with EPI and we paid EPI \$255,000. Revlon paid \$90,000, Lorillard paid \$90,000, and CBS paid \$75,000.

This is our experience with TV quiz shows.

We did not participate with the producers in rigging them. When we received a complaint and made an investigation, we were met with repeated denials—three times—that there had been any dishonesty. We were rebuffed when we suggested a "czar" for quiz shows.

And we had to pay to be released from our contract.

Just one more point:

Remember that one of these producers admitted to this committee yesterday that they also rigged the "Big Surprise" show sponsored by other companies.

The "Big Surprise" and the two "\$64,000" shows had only one thing in common. It was not the sponsor, it was the producer. This producer would have you believe that sponsor pressure from Revlon

drove him to do what he did on our show. Then what caused him to rig the "Big Surprise"?

I appreciate the opportunity which you have given me to appear and to set the record straight by presenting the facts as I know them. Thank you very much.

The CHAIRMAN. I think the record should know that on Monday morning or Sunday afternoon a wire was received by me as chairman of the subcommittee, from Mr. Charles Revson, requesting that he be permitted to come down and testify, and I immediately replied with a wire accepting his offer and inviting Mr. Revson to appear and testify in public session today. I thought the record should show that.

Mr. LISHMAN. Mr. Chairman, I have no questions of this witness at this time. But when the members have concluded, if I may ask one or two questions, briefly.

The CHAIRMAN. Mr. Mack.

Mr. MACK. Mr. Revson, did you personally know—

Mr. REVSON. Pardon me.

Mr. MACK. Were you acquainted with Dr. Evans?

Mr. REVSON. No, sir.

Mr. MACK. You were not?

Mr. REVSON. No, sir.

Mr. MACK. You never talked with him?

Mr. REVSON. No, sir.

Mr. MACK. I want to comment briefly on your statement concerning the public acceptance of the reputation generally of Revlon, and I am certain it has a good reputation.

You say that you had so much to lose. You had too much at stake. You recall your testimony. You said:

We have too much at stake to do anything ourselves or to allow anybody else to do anything if we can help it which will reflect unfavorably upon us as a company.

Do you think that you have more to lose than, say, Van Doren, a young man who has lost his entire future over his participation?

I would thing as an observation that he would have more to lose than you as an individual would have.

Mr. REVSON. You mean did he as an individual and I as an individual?

Mr. MACK. I am talking—I am very sorry. I meant you, as president of Revlon, and as you know, it would be Revlon that would be adversely affected principally, and you individually secondly, I think.

Mr. REVON. It is hard for me to make a comparison to an individual versus a public corporation. I think you can appreciate that. I don't want to try to make a comparison because I don't want to be unfair.

Mr. MACK. I will not press that. I just wanted to call that to your attention.

It would seem to me that a brilliant young man like Charles Van Doren would have a tremendous amount to lose becoming involved and participating in the rigging of such a program.

I think also Dr. Evans will have a lot to lose because of his participation in this public deception.

I also wanted to ask you—an advertising agency contacted you concerning the "\$64,000 Question;" who owned that program at that time?

Mr. REVSON. It was Louis Cowan, Inc. that owned the program. The program was brought to our attention through Norman, Craig & Kuninell.

Mr. MACK. This is in the form of an idea. It is not really a program at this stage?

Mr. REVSON. That is right.

Mr. MACK. So he owned the idea?

Mr. REVSON. That is correct, sir.

Mr. MACK. Would he have producers at this point?

Mr. REVSON. I doubt very much that they had producers or organization.

Mr. MACK. In other words, he came to you with an idea?

Mr. REVSON. Basically, yes.

Mr. MACK. And he possessed this idea and wanted to get in business?

Mr. REVSON. I think they were in business. How many shows they had at the time or anything, I do not know.

Mr. MACK. Was the show on CBS at that time?

Mr. REVSON. No, the show had never been produced at that time. It had never been produced before.

Mr. MACK. But it was a going concern with rehearsals and screenings at this point? Is that correct?

Mr. REVSON. No. The show was sold as an idea with a format.

Mr. MACK. I stated the case correctly then. It was in the form of an idea.

Mr. REVSON. Correct, sir.

Mr. MACK. I was interested in your statement on page 2.

At the bottom of the last paragraph on page 2, you say:

And yet I heard for the first time last week—

and you heard the testimony yesterday—

that they were even rigging the show right from the start.

This is from your testimony?

Mr. REVSON. Yes, I did say that.

Mr. MACK. And evidently if they were rigging it from the very start, they were rigging it when Mr. Cowan was associated with the program?

Mr. REVSON. When I say "the start," I wouldn't say the first week or the third week or the fifth or the sixth; I mean in the beginning.

Mr. MACK. I am not asking you to confirm the memo that I referred to when your brother was on the stand. I merely take it from your statement that these shows were rigged at the time that Mr. Cowan owned the show; is that not correct?

Mr. REVSON. If in turn—let me, or may I clear it?

I was told at the time that I spoke to the investigator, they explained to me that it was an accepted fact or a known fact that certain contestants were rigged. Whether this was the second or third or fourth week—I don't know exactly which week it was. Therefore, I made that statement, meaning nothing or other than beyond that.

If in turn it was during the time, that you folks would know, whether it was during the time of Mr. Cowan's ownership or not, more than I would.

Mr. MACK. That was my question.

I assume that this was during the time of Mr. Cowan's ownership and referred to in your—

Mr. REVSON. I don't recollect exactly when Mr. Cowan left it. If you could help me on that, I could possibly help you.

Mr. MACK. You had not given it any thought whether he was or was not operating at the time it was rigged?

Mr. REVSON. No; I did not.

Mr. MACK. I notice in your statement, also on page 2, that you still have a great deal of respect for him and his ideas.

If he was the one who proposed the original quiz show and the rigging of that show, I would be somewhat amazed at your statement that you still have a great deal of respect for him and for his idea which we have found to be a fraud on the American public.

Mr. REVSON. I know Mr. Cowan, who is presently the president of CBS-TV. I like the man; I respect the man. I still respect the man. I don't know technically at which point what took place or what. So I am not prepared to say, nor can I say.

Mr. MACK. You have not indicated an interest to investigate this area to see whether Mr. Cowan was actually the man or the culprit behind the whole "\$64,000 Question" which you were interested in?

Mr. REVSON. Would you rephrase that, please?

Mr. MACK. My question, to conserve time, is that you have never been interested enough in this area to determine whether or not your very close friend—

Mr. REVSON. He is not a close friend.

Mr. MACK. Mr. Cowan, a man whom you have a great deal of respect for, and for his ideas, if he was the real culprit behind this fraud which has been perpetrated on the American public and which your firm has been associated with? You have not conducted any type of investigation?

Mr. REVSON. No; I have not.

Mr. MACK. I have nothing further, Mr. Chairman.

The CHAIRMAN. Mr. Bennett.

Mr. BENNETT. Mr. Revson, you did not attend these weekly meetings that your brother testified to this morning?

Mr. REVSON. That is correct, sir.

Mr. BENNETT. Were the memorandums of the meetings furnished to you?

Mr. REVSON. No; they were not.

Mr. BENNETT. You just depended on your brother or Mr. Abrams to represent you and take care of whatever was going on?

Mr. REVSON. Yes, sir.

Mr. BENNETT. You do not have any personal knowledge of what did take place at those meetings?

Mr. REVSON. No, sir.

Mr. BENNETT. You are not in any position to know whether Mr. Abrams is right or whether your brother is right when they make statements about—

Mr. REVSON. I didn't understand the situation when it came up.

Mr. BENNETT. Pardon?

Mr. REVSON. I said I didn't understand the situation when it came up today.

Mr. BENNETT. You are not in a position now to know what the facts were? You are not in a position to know——

Mr. REVSON. No; I am in no position to make a statement on that, no.

Mr. BENNETT. So when you say that Revlon was not aware of what the producer was doing, you are speaking only of your own personal actions in the matter; is that true?

Mr. REVSON. Yes.

My own personal, and in turn the course of operations over a period of time.

Mr. BENNETT. How come you would leave such an important part of this operation to two of your subordinates?

Mr. REVSON. I feel in turn that they were competent people.

Mr. BENNETT. It turns out that they both have very divergent statements about what was going on.

Mr. REVSON. Let me say this to you: I watched each show myself.

Mr. BENNETT. I watched it, too, at times.

Mr. REVSON. I enjoyed it myself. My judgment was governed partially by my knowledge of show business and so forth, and liking the show, and in understanding ratings or understanding the situation, and that was all.

Mr. BENNETT. But you have no personal knowledge of the facts as to what went on between your two men at these meetings and the producers?

Mr. REVSON. Basically not; no, sir.

Mr. BENNETT. Did your contract provide that you had a right to revoke it if the producers were guilty of fraud or misrepresentation or deception in the handling of the program?

Mr. REVSON. I truthfully do not know that, whether that is in the contract or not. If it wasn't, if there were any others, it should be.

Mr. BENNETT. You never consulted with your attorney as to whether you had the right to revoke the contract?

Mr. REVSON. We would have a right to revoke a contract if it was proven to be crooked. If we could prove that it were, we had a right to revoke.

Without reading the contract, I would say we would.

Mr. BENNETT. Do you think that has been demonstrated now?

Mr. REVSON. As I sit here today, yes, I do.

Mr. BENNETT. I notice you paid \$90,000 to get out of the contract, though. You paid \$90,000, Lorillard paid \$90,000, and CBS paid \$75,000 to get out of this contract?

Mr. REVSON. Yes, sir.

Mr. BENNETT. You investigated these charges? CBS investigated them?

Mr. REVSON. I just spoke about the fact that CBS did investigate it with our attorney, but I wanted out anyhow by virtue of the fact that I felt, in turn, that the shows had received a bad name in general and therefore it was wise for us to get out.

Mr. BENNETT. The ratings were way down?

Mr. REVSON. I mean the show and the interest. It was nothing that we could prove. So therefore we had to adjudicate a getting out. If we could have proved anything that was crooked or so forth, then we would not have had to pay?

Mr. BENNETT. Are you planning to take legal action against the producers?

Mr. REVSON. I truthfully have not discussed it as yet. The last 2 days have been a little—

Mr. BENNETT. If what you say is true and what your brother says is true, that you knew nothing about the manipulation of the program by the producer, it seems to me as a matter of common law that you would have a right to recover the money you paid.

Mr. REVSON. We shall certainly look into it.

Mr. BENNETT. Anyway, you paid it quite willingly, I guess, to get out of the contract?

Mr. REVSON. I wouldn't say exactly so "willingly."

Mr. BENNETT. But you paid it?

Mr. REVSON. Yes, sir.

Mr. BENNETT. It is true, I assume, that you were interested in having a contestant, a good contestant, stay on the program as long as he could stay?

Mr. REVSON. Yes. The same as any other viewer.

Mr. BENNETT. And to have an uninteresting one taken off as soon as possible?

Mr. REVSON. As a viewer, yes.

Mr. BENNETT. Did you ever express to the producer or to your brother or to Mr. Abrams, the hope that a certain contestant could continue on the program?

Mr. REVSON. No; I did not. The times I spoke to my brother, we discussed the show, he asked me how I liked it, how I enjoyed it, because he knew that I watched practically 95 percent of them, and so forth, but I never discussed the fact of this one is good and should stay or this one is bad and shouldn't, or whatever it is. I did not.

Mr. BENNETT. You had very little to do with the actual operation of the shows?

Mr. REVSON. From the day-to-day operation; yes, sir.

Mr. BENNETT. You left that entirely to your brother and Mr. Abrams?

Mr. REVSON. Yes; to brother Martin and to Abrams.

Mr. BENNETT. I just want it to be entirely clear on our record that you have no personal knowledge yourself of whether there was any collusion or any agreement or any other understanding between your brother, Mr. Abrams, and the producers in respect to the manipulation of this show?

Mr. REVSON. That is correct.

Mr. BENNETT. You are taking, then, your brother's word for the fact that there was none on the part of your firm, and you are disbelieving the statement of Mr. Abrams that there was?

Mr. REVSON. I didn't say that. I find it hard to understand the divergence of what was stated. That is all I said.

Mr. BENNETT. It is hard for you to understand?

Mr. REVSON. Yes.

Mr. BENNETT. Then you can readily appreciate how hard it is for us to understand.

Doesn't it seem very strange to you that there should be this wide divergence of opinion between these two men?

Mr. REVSON. Pardon me. I didn't hear you?

Mr. BENNETT. Are you not surprised that there should be this wide difference of statements of fact between your brother and Mr. Abrams about what went on at these conferences?

Mr. REVSON. Yes; I was surprised to hear it today. Yes; I was.

Mr. BENNETT. Do you regard Mr. Abrams as a man of integrity?

Mr. REVSON. Yes; I always have.

Mr. BENNETT. I assume you regard your brother as a man of integrity?

Mr. REVSON. Yes; I do.

Mr. BENNETT. So the only thing you can do in this matter, having no knowledge of the facts themselves, is to accept your brother's story and say on that basis your company had no knowledge of the manipulation that was being made by the sponsor; is that a fair statement?

Mr. REVSON. Well, the way you word it, if you would word it differently I could give you a yes or no answer. But I mean the way you word it—

Mr. BENNETT. What do you have to say about that?

Mr. REVSON. I have nothing to say other than the fact that I was surprised in turn when I heard Mr. Abrams' statement read, and to understand why he would have a divergence with my brother.

Mr. BENNETT. But taking your statement in its entirety, you are denying on the part of your firm that your firm did have any knowledge of any wrongdoing or any manipulation of the program?

Mr. REVSON. That is correct.

Mr. BENNETT. And the basis for your statement is the information that was given to you by your brother; is that not true?

Mr. REVSON. Say that again?

Mr. BENNETT. The basis for your statement that your firm had no knowledge of what the producer was doing is based upon the advice and information that was given to you by your brother, Martin?

Mr. REVSON. That is right, and the general things that I would just know from the operation of the business.

Mr. BENNETT. I think that is all, Mr. Chairman.

Mr. CHAIRMAN. Mr. Rogers?

Mr. ROGERS. Mr. Revson, when did you say you first found out about this rigging practice?

Mr. REVSON. The first incident that came to my attention, as it is in the statement of mine, was in the late summer of 1958.

Mr. ROGERS. I said when you first found out about it that it was being rigged. Did you know then it was being rigged?

Mr. REVSON. No, sir.

Mr. ROGERS. When did you conclude in your own mind that there was fraud and manipulations in connection with these programs?

Mr. REVSON. Well, all through the time, even after the incident took place, I mean, in August, and likewise the one that took place on the Stony Jackson matter, which we were never able to prove conclusively, I could not form a complete opinion.

Yesterday's testimony caused me to have a complete opinion.

Mr. ROGERS. That is what I was getting at. I thought you testified that you first found out for sure last Saturday that there was rigging and fraud going on in these.

Mr. REVSON. Mr. Goodwin and I—he came to speak to me—in the course of conversation he informed me. This is the only information that I had, other than that I never had any.

Mr. ROGERS. All you had prior to that time was suspicions?

Mr. REVSON. Other than that, I had some doubts. That is correct; prior to that time.

Mr. ROGERS. Do you agree with your brother, Mr. Revson, that had you known about these practices and had you the same information before that you have now, that you would have had nothing in the world to do with this show, or anyone associated with it?

Mr. REVSON. Absolutely correct.

Mr. ROGERS. Why would you not have?

Mr. REVSON. Because we could not afford to have anything to do with anything that was not proper.

Mr. ROGERS. What do you mean, not proper? Do you mean in your opinion it was fraudulent and crooked to do this sort of thing to the American people.

Mr. REVSON. I will answer that. Giving answers to a contestant, helping in a fashion, that in turn causes him to win, when he may or may not have won. I think is wrong.

Mr. ROGERS. By wrong, do you mean in your opinion it is a fraudulent practice of deceit upon the American public?

Mr. REVSON. I think it is a practice of deceit.

Mr. ROGERS. You would not say you think it is fraudulent?

Mr. REVSON. Pardon me.

Mr. ROGERS. You would not say that you think it is fraudulent?

Mr. REVSON. The word is so all-encompassing, if you allow me not to use it, I would rather not. I will use the word deceit, is crooked and wrong, but I don't use that word.

Mr. ROGERS. And you would not want your company associated with anything that smacked of deceit?

Mr. REVSON. No, sir.

Mr. ROGERS. Would you say it was a reprehensible practice?

Mr. REVSON. As now learned, yes.

Mr. ROGERS. Would you say that parties who took part in this whole episode were guilty of deceit, both the producers and the contestants?

Mr. REVSON. Would you rephrase that?

Mr. ROGERS. I say would you take the position that those who took part in this episode were guilty of deceit, both the producers and the contestants?

Mr. REVSON. Yes, I would.

Mr. ROGERS. Then it is your position that if there was a fraud here on the American public, you and your brother, Martin, were also victims of the same fraud?

Mr. REVSON. Yes, sir.

Mr. ROGERS. And anyone who took part in that program as a contestant—received money through deceitful practices, did they not?

Mr. REVSON. Yes, judging by the testimony.

Mr. ROGERS. You have a right to make your own conclusion about the testimony.

I believe you stated that you have concluded now that it was deceit?

Mr. REVSON. Yes; I accept the testimony.

Mr. ROGERS. And the money they received, they received from your company, did they not?

Mr. REVSON. Yes, sir.

Mr. ROGERS. Then they actually received that money by misrepresentation and by false pretenses, did they not, Mr. Revson?

Mr. REVSON. Yes, sir.

Mr. ROGERS. Do you not think under the circumstances they should return it?

Mr. REVSON. I might have a personal opinion about it, but I am not going to express an opinion on that.

Mr. ROGERS. You made a lot of money, too, out of this show, did you not, Mr. Revson?

Mr. REVSON. Yes.

May I add without trying to be verbose, because you are the interrogator and I don't want to interfere—

Mr. ROGERS. It is quite all right.

Mr. REVSON. You see, all our advertising is not founded in television.

Mr. ROGERS. I understand that.

Mr. REVSON. We have a great deal of newspaper and magazine advertising. We do not count solely on the TV as our sole medium.

Our business was built without that. So, therefore, I cannot attribute it to just one thing. If you will allow me this one point, please. You can look at a certain set of figures and get a certain interpretation.

Mr. ROGERS. Yes, sir.

Mr. REVSON. Which is not incorrect about the phenomenal growth, et cetera, during periods of time. But yet, again, you must in turn look behind it; and in looking behind that it could have been the introduction of new products that in turn would have been successful regardless of the fact that they were on a very, very, very successful TV show.

They may not possibly have reached that degree, but they likewise would have reached a high degree of success, so that in turn the company would have taken off basically in a large measure in the same way.

Secondly—and it so happens—during that period of time there were several products that were introduced that did just that very same thing that I am telling you.

Mr. ROGERS. Mr. Revson, we have had some very strange excuses before this subcommittee as to why some of these people who were stricken with conscientious scruples all of a sudden kept the money. The point I am getting at is this: You are not trying to tell this subcommittee that the sales of the Revlon Co. did not skyrocket because of these programs that you admit were fixed, are you?

Mr. REVSON. I personally admit they were, yes.

Mr. ROGERS. And your sales skyrocketed, didn't they, because of these programs, and the listening interest that came out of them?

Mr. REVSON. In part they did, sir.

Mr. ROGERS. You say "in part." You were highly interested in these programs and their ratings, were you not?

Mr. REVSON. Yes, sir.

Mr. ROGERS. And you enjoyed probably the greatest growth in the shortest time that your business ever experienced. You attributed it to these programs, didn't you?

Mr. REVSON. Not entirely. That is the reason I gave that story.

Mr. ROGERS. What percentage would you say?

Mr. REVSON. I would not know how to determine that. But for the intent and purpose of understanding this thing in a simple way, I would say that the television program in turn did a great deal to cause the growth. I don't want to mix the situation.

Mr. ROGERS. How much did you spend in advertising on this TV type of advertising with these programs?

Mr. REVSON. Oh, about \$7 million to \$8 million a year.

Mr. ROGERS. What percentage of your advertising budget was that?

Mr. REVSON. If I recollect correctly, it would be possibly around 60 to 65 percent.

Mr. ROGERS. Then, don't you think that your sales increase would be represented likewise, percentagewise? In other words, if you were willing to spend 65 percent of your budget for TV advertising, you would expect 65 percent of your increased sales to come as a result of that, would you not?

Mr. REVSON. Not necessarily so.

Mr. ROGERS. But it did in this case, didn't it, Mr. Revson?

Mr. REVSON. In this particular case it did well, but it doesn't necessarily hold true.

Mr. ROGERS. As a matter of fact, you felt that the increases in your sales far exceeded the percentage of your advertising budget that you spent, didn't you?

Mr. REVSON. I would daresay, as a whole, that is correct.

Mr. ROGERS. If we carry this on out to its logical conclusion, Mr. Revson, your company made a tremendous profit out of these shows, didn't they?

Mr. REVSON. I don't know whether you mean "tremendous" or what you mean by "tremendous," but answering the question: We profited well.

Mr. ROGERS. You made a lot more than any of the contestants or all of the contestants put together, didn't you?

Mr. REVSON. Yes, if that is the question. Yes, we did.

Mr. ROGERS. Since you have branded these as deceitful practices, have you made any efforts or thought of any way to make restitution of that money to the American people?

Mr. REVSON. I would not truthfully know how to answer that question, sir.

Mr. ROGERS. I don't either, Mr. Revson.

Mr. REVSON. Pardon me?

Mr. ROGERS. I would not know how to answer it either. I just wonder—you and your brother come up here and say you were victims of fraud, too, but you were kind of victims of the fraud that some of the winners on these contests were—that is, you profited very well by being a victim. You brand these other people as deceitful, and I agree with you, they were deceitful; but you are the one who profited the most by the deceitful practices that were played upon the American people. I am wondering what is in your mind and the mind of the Revlon Co., to try to make restitution or correction of a wrong which you admit occurred.

Mr. REVSON. We have never given any thought to that.

Mr. ROGERS. Apparently, some of the contestants had not given any thought to giving their money back, either. When we asked them about it, they found it very difficult to explain: but they justify, some

of them, in their own minds—and not in my mind—how they could keep the money and still take part in a deceitful practice or a reprehensible practice.

Mr. REVSON. In view of the circumstances, we went along for the several years in sponsoring the show. We did not realize what it was. It is the same as any other commercial company that would earn something because of something—a network or producer or contestant, and so forth. I don't know how to answer it. It is something that is past. It is part of a business experience.

Mr. ROGERS. Yes, sir. You are not planning on giving the money back or making restitution, are you, Mr. Revson?

Mr. REVSON. I had not even discussed it or thought about anything in that vein. I think in turn by virtue of the fact that it was done yesterday, I don't think there is a basis for it.

Mr. ROGERS. You don't think there is a basis for it when someone obtains something by false pretenses that they ought not to make restitution? Is that your statement?

Mr. REVSON. No, but see, we paid for the show. We paid for the time. We paid for the contestants, sir. So therefore in turn we made a profit on it. I don't follow you there. I am not trying to be cute.

Mr. ROGERS. I don't follow you. You have branded this, you and your brother both branded this as a deceitful practice and a reprehensible practice. Yet you are willing to accept the profits from it and let the contestants take all of the blame. Both of you said you had nothing to do with the running of it. The most you did was to make suggestions, isn't that correct?

Mr. REVSON. Yes, sir.

Mr. ROGERS. Were those suggestions subtle suggestions, Mr. Revson?

Mr. REVSON. The suggestions made as far as I am concerned had no relativity to that.

Mr. ROGERS. You mean they were about as subtle as a blow by a baseball bat?

Mr. REVSON. I certainly do not.

Mr. ROGERS. That is what the evidence would indicate, as you know. You heard the testimony.

Mr. REVSON. I heard it, yes.

Mr. ROGERS. It would indicate when you and Mr. Martin Revson or when Mr. Martin Revson made the statement about that he considered a suggestion, there was not any question in his mind or anyone else's mind as to what he meant and what he intended to have.

Mr. REVSON. That is correct.

Mr. ROGERS. That is actually what happened. A suggestion was made and you expected it to be carried out?

Mr. REVSON. Pardon me?

Mr. ROGERS. A suggestion that was made in one of these meetings you expected to be carried out, didn't you?

Mr. REVSON. I didn't get the first part, then. I thought I got it.

Mr. ROGERS. I say, that in these meetings you had, when you made a suggestion, which you claim you had the right to do under your contract, you expected that suggestion to be carried out, didn't you?

Mr. REVSON. The few infrequent times that I was there, I don't remember discussing anything about a contestant or anything like

that. The times that I would be in there would have relation to the format of the show, or possibly a change in the plateau aspects of the money part, or the show could be more interesting, or something such as that.

Mr. ROGERS. You mean you were there just a few times at these meetings?

Mr. REVSON. Yes, sir.

Mr. ROGERS. In your statement didn't you say that at these meetings that suggestions were made, sometimes they were carried out and sometimes they were not? I don't recall in your statement your saying that you only attended a few times. On the bottom of page 4: we made the suggestion. The producer could accept them or not. Sometimes he did. Sometimes he didn't.

Mr. REVSON. This is just a normal way of expressing a thought.

Mr. ROGERS. But it is rather general language.

Mr. REVSON. It has to be general, sir, because my basis of being in this was on a general basis.

Mr. ROGERS. What I mean is that you did not say anything in your statement about only attending a few of these meetings.

Mr. REVSON. No, but that is the way it was.

Mr. ROGERS. It was that way.

Mr. REVSON. Yes, sir.

Mr. ROGERS. The only time you were there the meetings concerned the format of the program and the changing of the way—

Mr. REVSON. Yes, sir. Once in a while I would duck my head in and spend a few minutes and listen. Sometimes I might make a remark and sometimes I might not make a remark and just leave.

Mr. ROGERS. Then this statement that you made which would indicate that you were well familiar with those meetings is not entirely correct, is it, Mr. Revson?

Mr. REVSON. Would you repeat that, please?

Mr. ROGERS. I say the statement you made here in which you indicate that you were familiar with the contract and the program and the suggestions that were made—

Mr. REVSON. In a general way, that is correct. In a general way, that is right. This would be a standard thing. It could be another type of show. In great measure there would be general things about it that would be a little different, but in measure it would be the same.

Mr. ROGERS. But you didn't attend very many of the meetings.

Mr. REVSON. That is correct.

Mr. ROGERS. Let me ask you one other question. I don't want to belabor any longer on account of time. Did you ever consult the FCC, that is the Federal Communications Commission regarding these matters?

Mr. REVSON. No, sir.

Mr. ROGERS. Were you ever talked to by anyone from either of those agencies?

Mr. REVSON. Pardon me?

Mr. ROGERS. Were you ever talked to or consulted by anyone from either of those agencies, the Federal Communications Commission or the Federal Trade Commission in relation to these quiz-type shows?

Mr. REVSON. Not that I know of, no.

Mr. ROGERS. Had you been consulted by representatives or persons associated with either of those agencies on any subject since 1955?

Mr. REVSON. Not that I recollect.

Mr. ROGERS. You would recollect if you had been consulted?

Mr. REVSON. I daresay so, sir. If it was of an important nature, I would.

Mr. ROGERS. I believe that is all, Mr. Chairman.

The CHAIRMAN. Mr. Derounian.

Mr. DEROUNIAN. Mr. Revson, are you acquainted with the ad that one of your competitors, Philip Courtney, of Coty, Inc., has been putting in the newspaper for the last week or so?

Mr. REVSON. Yes, I am.

Mr. DEROUNIAN. Do you agree with that?

Mr. REVSON. No, I don't.

Mr. DEROUNIAN. You think that businessmen should control entertainment on television because he says here in one paragraph:

It is not however, proper for business through its sponsorship of television programs to control the entertainment on television.

Do you agree with that statement?

Mr. REVSON. May I answer it in two parts?

Mr. DEROUNIAN. Yes, any way you want.

Mr. REVSON. Okay. First, I don't want to get into a cat-and-dog thing about it.

Mr. DEROUNIAN. I am just asking you whether you think that businessmen should control entertainment.

Mr. REVSON. I don't feel that any businessman has a right to discuss with others about what he should do about his business and try to make something out of it. The second thing, and that is this here: If in turn—I mean secondly, in turn I don't feel that any one individual is a judge and a jury of such a matter, of advertising.

Mr. DEROUNIAN. Do you think that businessmen or a sponsor should control entertainment on television?

Mr. REVSON. It all depends what the sponsorship is.

Mr. DEROUNIAN. Do you think that Revlon should control its entertainment on television?

Mr. REVSON. If it is to do with certain kinds of entertainment and the kind of control I mean, I do feel so.

Mr. DEROUNIAN. What about quiz shows?

Mr. REVSON. No, sir. If by control you mean a form of rigging, I say absolutely not.

Mr. DEROUNIAN. Now, Mr. Revson, you have stated that Revlon had no knowledge of the fixing of the "\$64,000 Challenge and Question."

Mr. REVSON. Yes, sir.

Mr. DEROUNIAN. Revlon is a corporation, is it not?

Mr. REVSON. Yes, sir.

Mr. DEROUNIAN. How does a corporation gain knowledge?

Mr. REVSON. Can you make it more easy for me?

Mr. DEROUNIAN. In order for a corporation to be knowledgeable on a state of facts, does the president of the corporation have to know it in order for the corporation to be bound by the knowledge?

Mr. REVSON. It is the duty of the chief executive officer to attempt to be cognizant of as many facets of the business as possible. This is

my duty. Having a fairly large business, it becomes impossible to get below a certain layer into everything.

Mr. DEROUNIAN. Supposing a vice president of a corporation has knowledge on the subject. Do you think the corporation has knowledge?

Mr. REVSON. A vice president?

Mr. DEROUNIAN. Yes.

Mr. REVSON. It all depends on what it is.

Mr. DEROUNIAN. Supposing it is the vice president in charge of advertising. Say it is the vice president in charge of advertising for Revlon.

Mr. REVSON. Yes.

Mr. DEROUNIAN. Do you think Revlon has knowledge of it as a corporation?

Mr. REVSON. If you ask me a simple question.

Mr. DEROUNIAN. I will ask you simply, this way: If Revson and Revson own the business as partners, either one of the Revsons having knowledge can bind the other; is that not right? As a partnership, as a matter of law. You know that much law, I am sure.

Mr. REVSON. I accept that.

Mr. DEROUNIAN. You are a successful businessman. When you have a corporation you don't necessarily have to tell Revson and Revson if the one is president or the other is the vice president. Any officer of the corporation can bind the corporation with knowledge of the facts.

Mr. REVSON. Technically, yes.

Mr. DEROUNIAN. Since Mr. Abrams was your vice president in charge of advertising, and he has testified he knew of this rigging, then in fact the corporation had knowledge, whether you, yourself, knew anything about it or not. That is the chance you take, is it not?

Mr. REVSON. The word "rigging" mixes me up terribly.

Mr. DEROUNIAN. I do not think I am mixing you up at all. You are a pretty shrewd fellow and you are a successful fellow and these figures on the balance sheet prove it. You are much more successful than I am.

Mr. REVSON. What I meant is that I didn't gather—I mean when you use the word rigging—

Mr. DEROUNIAN. Well, control of the contestants in any degree.

Mr. REVSON. Is that what the interpretation is?

Mr. DEROUNIAN. I will soften the question if you object to rigging. I will say control of the contestants on the quiz shows.

Mr. REVSON. Now give me the question.

Mr. DEROUNIAN. The question is if the vice president in charge of advertising of Revlon, Inc., knows of the control of contestants, the corporation knows about it, does it not?

Mr. REVSON. I never knew that he understood that there was a control.

Mr. DEROUNIAN. You heard his affidavit read today, did you not?

Mr. REVSON. Pardon me, I heard, yes, I did.

Mr. DEROUNIAN. And he is an honorable man. Your brother testified and you testified that he was a trusted officer of your corporation during this period?

Mr. REVSON. Yes. And I am trying to understand the thing.

Mr. DEROUNIAN. About the time of the height of popularity of your quiz shows, you had difficulty keeping up the supply of lipstick in the country, did you not? Dealers ran out of your lipsticks; is that so?

Mr. REVSON. I don't know whether that was one of our basic problems, sir, or not. It might have been. I don't know.

Mr. DEROUNIAN. It was. They were short on lipstick because of the popularity of Revlon at that time.

Mr. REVSON. I don't think it was ever that popular.

Mr. DEROUNIAN. It was \$110,363,000 popular in 1958.

Mr. REVSON. That is not all.

Mr. DEROUNIAN. That is being pretty popular.

Mr. REVSON. That is not all lipstick, sir.

Mr. DEROUNIAN. No. But also in 1957, you acquired a shoe polish company and you put out a polish, Knomark?

Mr. REVSON. No, Esquire.

Mr. DEROUNIAN. No shoe polish sales?

Mr. REVSON. It is easier. Knomark is the name of the company.

Mr. DEROUNIAN. Did you know that during the shortage of lipstick when dealers were practically crying for it, that your salesman told the dealer, "If you want some of our lipstick, you have to take our shoe polish?"

Mr. REVSON. Absolutely no.

Mr. DEROUNIAN. You deny that there was any tie-in or soft sell on that?

Mr. REVSON. I wouldn't know how to begin.

Mr. DEROUNIAN. Now, Mr. Revson, you and your brother Martin had a falling out in 1958, did you not, businesswise?

Mr. REVSON. We didn't have a falling out. We had an understanding.

Mr. DEROUNIAN. And he left the active management of that company?

Mr. REVSON. Yes, sir.

Mr. DEROUNIAN. Did he receive any consideration on the parting of business ways from Revlon?

Mr. REVSON. No very basic consideration other than—

Mr. DEROUNIAN. How basic?

Mr. REVSON. No; what I meant to say is, no extraordinary basic consideration. That is what I am trying to say.

Mr. DEROUNIAN. Can you tell us the reason why he left the active management of the company?

Mr. REVSON. It was a personal business matter between my brother and myself and if you allow me, please, to keep it that way I would very much appreciate it.

Mr. DEROUNIAN. Would it embarrass you or degrade you?

Mr. REVSON. It is not a case of embarrassment. It is just I feel it is a private thing.

Mr. DEROUNIAN. You mean it is a trade secret? Business secret between the two of you?

Mr. REVSON. Yes. All right.

Mr. DEROUNIAN. Have you discussed your testimony with your brother Martin or his testimony previous to your coming here today?

Mr. REVSON. No, sir.

Mr. DEROUNIAN. You have not talked about it at all?

Mr. REVSON. No, sir.

Mr. DEROUNIAN. Do you talk to one another socially?

Mr. REVSON. Yes, we do, once in a while.

Mr. DEROUNIAN. When was the last time you saw him prior to this morning?

Mr. REVSON. Oh, I don't know. We have not seen each other—as I said, once in a while. We don't see each other very often.

Mr. DEROUNIAN. How much stock does he own in your company?

Mr. REVSON. I do not know.

Mr. DEROUNIAN. He is a substantial stockholder?

Mr. REVSON. He was. I don't whether he is now or not.

Mr. DEROUNIAN. You don't know whether your own brother is still a stockholder?

Mr. REVSON. He said he was. The secretary of the corporation could determine that. Likewise, the stock could be put in a number or such as that; and therefore, in turn, it may not easily be recognized.

Mr. DEROUNIAN. You did not discuss, in any part, your coming here today and the problem of what Mr. Koplin said yesterday?

Mr. REVSON. Mr. who?

Mr. DEROUNIAN. Or what Mr. Carlin said yesterday? You didn't discuss those things with your brother at all prior to today?

Mr. REVSON. No, I did not.

Mr. DEROUNIAN. Did your attorneys confer with you about it?

Mr. REVSON. Did my attorneys speak to me? My attorneys told me that my brother was going to appear, and basically that was that.

Mr. DEROUNIAN. Are your attorneys the same ones that your brother has in this case?

Mr. REVSON. No, they are not.

Mr. DEROUNIAN. Who is the attorney for your brother?

Mr. REVSON. Mr. Cooper Smith, I believe.

Mr. DEROUNIAN. Do you know whether Mr. Cooper Smith has talked with your attorneys? You know you may not have heard anything about what your brother was going to say but maybe your brother told his attorney who told your attorneys who in turn told you.

Mr. REVSON. That is possible.

Mr. DEROUNIAN. Did it happen?

Mr. REVSON. I knew, in turn, the statement that he was to read. Further than that, I knew nothing.

Mr. DEROUNIAN. Did the same person write the statements for you and for him or did you write your own statement, as your brother said he did?

Mr. REVSON. They were not written by the same people.

Mr. DEROUNIAN. Who wrote yours? Who wrote your statement, if it was written by someone other than yourself?

Mr. REVSON. My own people and one other individual, plus myself.

Mr. DEROUNIAN. All I can say is that you and Mr. Webb and your brother have all agreed on the statements. So they are consistent in that regard, anyway. But they are quite at variance with yesterday's testimony and that is very disturbing, not only to me but to all members of this subcommittee.

No other questions, Mr. Chairman.

The CHAIRMAN. Mr. Flynt.

Mr. FLYNT. Mr. Revson, when did you first learn that there was a considerable amount of rigging of these programs?

Mr. REVSON. When did I find out that there was a considerable amount of rigging on these programs?

Mr. FLYNT. When did you first learn of it?

Mr. REVSON. Yes, sir; and last week.

Mr. FLYNT. Wasn't something reported to you in connection with Rev. Charles E. (Stoney) Jackson?

Mr. REVSON. Would you repeat that, please?

Mr. FLYNT. Did you not mention Rev. Stoney Jackson in your earlier testimony?

Mr. REVSON. Yes, I did.

Mr. FLYNT. Was it not reported to you at that time that there might be something wrong with these programs?

Mr. REVSON. It was quoted to me, yes, sir; and I read to you that I in turn had our lawyer look into it and CBS looked into it.

Mr. FLYNT. Did you or your lawyer ever talk to Reverend Jackson?

Mr. REVSON. No, sir.

Mr. FLYNT. If somebody makes an allegation of fraud or other dishonest act, do you think you have met the requirements of a thorough and impartial investigation simply by asking the people against whom the charge was made?

Mr. REVSON. Simply—repeat that again.

Mr. FLYNT. Do you think that you and your counsel or your investigative staff, whatever you have at Revlon, Inc., has made a thorough and impartial investigation of an allegation of fraud when you go no further than to inquire from people against whom the charge is made?

Mr. REVSON. As I said before, CBS, together with our attorney and other attorneys, looked into the whole matter of the Stoney Jackson matter.

Mr. FLYNT. Do you now agree that if you had made a thorough investigation that you would have uncovered and disclosed substantially the same facts that have been brought out before this subcommittee?

Mr. REVSON. Of this particular individual?

Mr. FLYNT. Of this particular individual and any other contestants who might have received help.

Mr. REVSON. You see, when our counsel and the CBS counsel started to check into certain contestants, we have no subpoena qualities, these contestants that came in could not prove or we could not get from them any definite proof of anything wrong, as I read to you previously.

Mr. FLYNT. Did you make any effort to?

Mr. REVSON. Yes, we did.

Mr. FLYNT. From whom?

Mr. REVSON. Every one of the people who came in to CBS.

Mr. FLYNT. Who came in?

Mr. REVSON. I dont' know the exact names but I can get them for you.

Mr. FLYNT. Did you make any effort to contact Reverend Jackson?

Mr. REVSON. I personally don't recollect that. I don't know whether CBS did or not.

Mr. FLYNT. Wouldn't he have been the normal person, the logical person, to contact first?

Mr. REVSON. The whole Stoney Jackson matter I put in the hands of counsel. I am not trying to evade you. In turn, counsel, together with CBS and likewise in turn with P. Lorillard, looked into the entire matter and I had to satisfy myself about that and I was very urgent about it and very imperative about it and very angry about it.

Mr. FLYNT. What instructions did you give your counsel when you heard this report?

Mr. REVSON. To check this thing all the way. They spent practically all day Saturday as soon as we got the information.

Mr. FLYNT. In other words, he did not carry out your instructions?

Mr. REVSON. He feels he did. He feels that he carried it out.

Mr. FLYNT. Do you feel that he did?

Mr. REVSON. Well, judging from the testimony that has been given, hindsight to foresight, of yesterday, in turn there may have been other ways of going in deeper and deeper. Every incident, the whole two incidents that I knew about—were thoroughly checked.

Mr. FLYNT. The reason I ask that is this: that in every one of these programs that we have had any testimony on, everybody says that as far back as 1957, and early 1958, there were rumors and reports and more rumors that something was wrong. And yet the only thing we can find that anybody ever did was to ask the people who had been doing the wrong and who had been charged with doing wrong.

Mr. REVSON. I wouldn't want to tell you that it is easy to accept rumors or anything. We don't. I have checked with my brother Martin.

Mr. FLYNT. We will call them reports.

Mr. REVSON. Pardon me?

Mr. FLYNT. We will call them reports if you don't want to use the word "rumor."

Mr. REVSON. No. I am willing to use the word "rumor." I didn't have any report. If I had any report that this was definite, to hang our hat on. We had to do something and we would have done something.

Mr. FLYNT. When did the idea of a "czar" for this television industry come to you?

Mr. REVSON. The idea came to me after the Cohn incident and the "Twenty-one" incident and just prior to the Stoney Jackson incident, that I felt in turn that there was an aura. I felt in turn that something should be done. I felt in turn that an association should be formed and a czar.

Mr. FLYNT. If you had an idea that something drastic needed to be done you knew in your own mind that this thing was wrong, did you not?

Mr. REVSON. Repeat that.

Mr. FLYNT. If you had an idea that something drastic was needed, like creating a czar for this segment of the television industry, then at that time you knew in your own mind, you were satisfied in your own mind as far back as early 1958, that this thing needed correcting and needed correcting badly?

Mr. REVSON. No, I didn't say that, sir. I felt in turn for the better of the industry and for the betterment of the quiz and panel shows it should be done.

Mr. FLYNT. When was that?

Mr. REVSON. That was in the early fall of 1958.

Mr. FLYNT. All right, sir.

Thank you, Mr. Chairman.

The CHAIRMAN. I should like at this time to announce that following the testimony of Mr. Revson, Mr. Robert Foreman will be called as the next witness.

We want to conclude with Mr. Foreman before we recess. Following that we will recess until 7:30 this evening and at that time, I want to make this very clear, because those witnesses who are here are to be back at that time. Mr. Kenneth Hoffer, is he here?

Mr. LISHMAN. Yes.

The CHAIRMAN. Mr. David Gottlieb?

Mr. LISHMAN. He is here.

The CHAIRMAN. Mr. Max Hess; Max Levine.

I want these witnesses to be here at 7:30 this evening for the evening session.

Mr. Devine?

Mr. DEVINE. Mr. Revson, having no desire whatsoever to pry into your private affairs and again relating to the separation of you and your brother in Revlon, I would like to ask you whether or not his leaving the company had anything whatsoever to do with the "\$64,000 Question" or "Challenge," or the situation that has arisen as the result of these television programs?

Mr. REVSON. Absolutely nothing.

Mr. DEVINE. It was wholly unrelated to that?

Mr. REVSON. Completely.

Mr. DEVINE. Based on your testimony and your statement here today, you indicate that at least up to this week, as far as your program is concerned, that the sponsors had no knowledge of any wrongdoing; is that correct, sir?

Mr. REVSON. That is correct. Other than some feeling in the air after the two incidents that came up last fall.

Mr. DEVINE. Nor did you have any information that your network had any knowledge of any wrongdoing on the "\$64,000 Question" or "Challenge"?

Mr. REVSON. That is correct.

Mr. DEVINE. The only person involved, then, as far as you are concerned—

Mr. REVSON. The only what?

Mr. DEVINE. The only parties involved as far as you are concerned are the producers?

Mr. REVSON. That is correct.

Mr. DEVINE. And you apparently would like to leave this subcommittee with the impression that you and your company were hoodwinked, as was the general public; is that correct?

Mr. REVSON. I do. I certainly do.

Mr. DEVINE. Do you, as a responsible businessman, let us say, that spends a great deal of money in the medium of advertising, feel that some Federal regulation should be adopted to protect you and other responsible persons, as well as the general public?

Mr. REVSON. Well, I don't know whether regulations should be put in or not put in. I daresay that an incident such as has taken place will teach us all to be much more careful.

Mr. DEVINE. I think perhaps you, as I, are opposed to any Federal control of anything if it can be avoided?

Again, you, as a responsible business person who is supposed to have a great deal of what you call knowledgeability in a medium that you are well acquainted with, can be, as you say, hoodwinked. Do you feel that there is need for outside help? Or do you think that the television industry itself can police this problem?

Mr. REVSON. I think that the television industry itself can do a great deal in helping police it and they are well aware of same.

Mr. DEVINE. I think that is all, Mr. Chairman.

Mr. ROGERS (presiding). The Chair recognizes Mr. Moss.

Mr. MOSS. Mr. Revson, in your statement you indicate that there was a point at which you became concerned over the public reaction and the charges of fixing of television shows.

Mr. REVSON. Yes, I did.

Mr. MOSS. When was that?

Mr. REVSON. That was about September—early part of September or August of 1958.

Mr. MOSS. When you reached this conviction or learned of these facts, did you initiate any contacts with the television network carrying the program?

Mr. REVSON. Yes; the television network did conduct an investigation and our lawyer was present at three of the meetings.

Mr. MOSS. Were the results of the investigation entirely to your liking?

Mr. REVSON. I don't know exactly the results, other than the fact that in turn it was brought back to me that there was nothing conclusive that was able to be gotten from these investigations.

Mr. MOSS. Did you indicate to your counsel or to the network a desire to terminate your sponsorship of the programs as the result of these revelations?

Mr. REVSON. It was either at that particular time or within days, one way or another, that we expressed a desire that we would like to get out of these. We only had one show at that particular time, as you well appreciate.

Mr. MOSS. What was the reaction of the network to this suggestion?

Mr. REVSON. I don't know the exact—I think they were sympathetic to the idea—I don't know the exact words or the exact direct feeling, because this was handled basically by our Mr. Bill Jaffe and, in turn, George Abrams.

Mr. MOSS. Did they indicate that they were going to hold you to your contract at that time unless there was more conclusive evidence produced?

Mr. REVSON. No, I think they were cooperative in attempting to see the point. I don't know the exact detail, but my overall impression would be that.

Mr. MOSS. You continued sponsorship from this period in September until November, did you not?

Mr. REVSON. It is a matter of seven broadcasts, sir.

Mr. MOSS. Seven additional broadcasts?

Mr. REVSON. To get everything straightened out.

Mr. MOSS. You had no resistance at all from the networks on your suggestion that you be permitted to terminate your sponsorship?

Mr. Revson. I don't think so. I don't think we had any. If there was any, it was not serious.

Mr. Moss. Was there any implication of legal action to hold you to your contract?

Mr. Revson. I beg your pardon, I didn't hear you.

Mr. Moss. Was there any implication to take legal action to hold you to your contract?

Mr. Revson. No, there was not any indication of that. I don't think the area got into that.

Mr. Moss. You never discussed that?

Mr. Revson. It may have been, but I personally don't know about it. Mr. Jaffe would.

Mr. Moss. Your recollection is that it was a very amicable agreement?

Mr. Revson. As far as the networks and ourselves were concerned, seemingly it was. I don't know the exact details.

Mr. Moss. During the course of these rumors, did you ever ask Mr. Abrams if there was any truth to the rumors regarding the "\$64,000 Question" or the "\$64,000 Challenge"?

Mr. Revson. Yes, I did. As I quoted an incident in the early fall of 1958, prior to the Stoney Jackson thing, that I called in our attorney and I asked him to get right down to this thing, and really hard, and to the best of my knowledge as the information comes back to me—

Mr. Moss. I recall your testimony about talking with your attorney.

Mr. Revson. No, I want to carry this further.

Mr. Moss. Has Mr. Abrams?

Mr. Revson. I want to bring that up. May I bring that up?

Mr. Moss. Yes.

Mr. Revson. Then there was a meeting between Mr. Abrams and Mr. William Jaffe, our attorney, and the producers of EPI and they were pressed, according to the words of our attorney, practically as hard as humanly possible to squeeze this out to the *n*th degree, to determine if there was anything.

The way it was brought back to me, he couldn't conceive of how to press this thing any further. One partner asked the other to lay off.

Mr. Fleischman, as I get it, asked Mr. Jaffe. He was pressing this thing far too much, or harder than it should be because Mr. Carlin was in a sort of a sweat.

Mr. Moss. You maintained very close interest in these programs, did you not? You personally maintained a close interest in these programs, did you not?

Mr. Revson. Yes, I did, from the point of viewers and observers and from the point of view as a property of the company.

Mr. Moss. And you were concerned with their continued success?

Mr. Revson. Yes, I was.

Mr. Moss. You attended some of the weekly discussion sessions?

Mr. Revson. Yes, but basically, never a whole meeting.

Mr. Moss. Did you, at any of the meetings you attended, ever express the hope that a given contestant would terminate quickly, or that they would continue?

Mr. Revson. No, I did not.

Mr. Moss. By no word at all did you ever express any such sentiment?

Mr. REVSON. No, I did not.

Mr. Moss. You never received any of the memorandums which were prepared by Mr. Ward and circulated to Revlon?

Mr. REVSON. No, I did not?

Mr. Moss. Did you ever personally contact Mr. Koplin or any of the others from the producing organization and attempt to determine on your own whether they were tampering with the show?

Mr. REVSON. No, I personally did not. I feel—and you must try to accept it in the manner in which I am trying to say it—I feel that Mr. William Jaffe is a very strong proponent of what has to be done; and I felt, in turn, that if he did it, it was equally as good or better than I would.

Mr. Moss. But you did ask Mr. Abrams?

Mr. REVSON. Pardon me.

Mr. Moss. But you did ask Mr. Abrams?

Mr. REVSON. About this particular incident? I certainly did.

Mr. Moss. About the pattern, whether there was any control exercised in connection with the show?

Mr. REVSON. I don't know whether I asked him at that particular time any specific question such as that. I was mostly concerned about this one incident which was a closer thing to anything that would have come up to date.

Mr. Moss. Did you have knowledge of the contestants who would go on the program the following week?

Mr. REVSON. Who they would be—et cetera, et cetera?

Mr. Moss. Yes.

Mr. REVSON. In a very vague way. I didn't know exactly. No, I did not.

Mr. Moss. How was this information communicated to you, Mr. Revson?

Mr. REVSON. It is not exactly a corridor gossip or anything, but I might have been talking to my brother and coincidentally, you might say "Who is going to be on? or what might be on?" or whatever it is and like that there.

Many times I was completely unaware of who would or who would not be on.

Mr. Moss. You have heard the testimony here today. You heard the reading of Mr. Abram's statement. Are you familiar at all with the general nature of the material in these memorandums that are part of the record?

Mr. REVSON. Basically, no; I am not.

Mr. Moss. The report of the discussion of contestants. Were you present yesterday when Mr. Koplin and Mr. Carlin testified?

Mr. REVSON. No, I was not.

Mr. Moss. Are you familiar with the nature of their testimony?

Mr. REVSON. In a general way, yes, but not specifically, point by point.

Mr. Moss. Do you feel it is rather persuasive, when we have Mr. Abrams, a former vice president of your organization; Mr. Carlin; Mr. Koplin, together with the memorandums of the meetings; that there

was a general knowledge of the controls on the show within your organization?

Mr. REVSON. Could you repeat that?

Mr. Moss. We will have the reporter read it.

(The pending question, as heretofore recorded, was read by the reporter.)

Mr. REVSON. As a personal comment, and not to get into anything deeper, I don't associate basically the two sets together.

Mr. Moss. Which two sets?

Mr. REVSON. Mr. Abrams and the Koplin-Carlin thing, basically.

Mr. Moss. They come to basically the same general understanding or experience as to the nature of the meetings that they attended.

Mr. REVSON. Then I would have to understand more about it. I didn't think it did. So I would have to understand more about it to be more definite. I didn't think that it did.

Mr. Moss. They all expressed the same opinion as to the content of the famous last missing memorandum, did they not?

Mr. REVSON. I have no comment on this last missing memorandum.

Mr. Moss. You have no opinion?

Mr. REVSON. I have no opinion on that. The reference yesterday of what took place was the basis of helping somebody answer questions. That is the understanding that I had.

Mr. Moss. You have an opinion, I assume, as to the desirability of you, as a sponsor, being able to closely supervise programs you sponsor. Have you an opinion as to the desirability of your being able to closely supervise programs which you sponsor?

Mr. REVSON. Have I an opinion about the fact that they should supervise—

Mr. Moss. No, I said you have an opinion, have you not, as to the desirability of you as a sponsor closely supervising programs you sponsor.

Mr. REVSON. We as a company?

Mr. Moss. Yes.

Mr. REVSON. Yes.

Mr. Moss. You feel that is a right?

Mr. REVSON. Pardon me?

Mr. Moss. You feel that is a right you have, to closely supervise programs?

Mr. REVSON. I feel that there is a right to supervise them, yes.

Mr. Moss. Do you exercise any degree of control on currently sponsored programs as to content of the program?

Mr. REVSON. Yes, we have a spectacular type of show presently going on every several weeks. We have that privilege.

Mr. Moss. Do you exercise it?

Mr. REVSON. Yes, we do.

Mr. Moss. You have the privilege under this agreement of exercising control over the contents of the program?

Mr. REVSON. Yes.

Mr. Moss. And you think this is a proper delegation by the stations carrying the program to you, even though the law places upon them the responsibility for content?

Mr. REVSON. I am mixed up, now.

Mr. Moss. I say, do you feel it is a proper delegation to you of this right of control by the stations who carry that even though the law looks to them for the control or the responsibility for content?

Mr. REVSON. I think we are using the word "control" in the wrong context at this moment. We in turn work with the producers at the present time of the spectacular show that we have. It is not mentally and basically control. It is working with them.

Mr. Moss. If you don't like something you insist they delete it, do you not?

Mr. REVSON. Pardon me.

Mr. Moss. If you do not like something that is in the program, you insist that it be deleted?

Mr. REVSON. It is a different form of program, sir. This is entertainment.

Mr. Moss. It know, this is entertainment. I am aware it is not a quiz show.

Mr. REVSON. That is right.

Mr. Moss. If you do not like something that is in the script you insist it be deleted, do you not?

Mr. REVSON. No, we discuss it out and see what the writers or the producers feel.

Mr. Moss. You find the producers are usually most cooperative?

Mr. REVSON. Not all the time, no. They have different points of view.

Mr. Moss. Difference of view. But who controls? Do they try to make you happy?

Mr. REVSON. No, it is a matter of judgment in the entertainment aspect of these shows I am now talking about.

One may have an opinion that they like something a certain way, and one may have an opinion that they like it another way.

Mr. Moss. Do you think it proper that we permit the practice which accords you, the sponsor, the right to interfere in any way with the content of a program?

Mr. REVSON. Forgive me—let me just answer that simply. I feel in turn that a sponsor has a right to consult and should have a right to consult as far as the workings of the television show.

Mr. Moss. Why?

Mr. REVSON. Because I feel in turn that a great many of them have good taste; good understanding, and showmanship, and good comprehension and good ideas, as well as those that produce them.

Mr. Moss. I do not. The general programs which are available tends to dispute that very strongly. If a western is successful, everybody wants westerns, so we get them almost to the point of saturation.

Just as for a while every time we turned the dial we had a quiz that we could look at.

Mr. REVSON. That seems to be a cycle.

Mr. Moss. Do you not think it would be far better if you, as the sponsor, merely purchased the time and left the program to the experts?

Mr. REVSON. Why do you mean, the experts?

Mr. Moss. Those who have the capability of producing a show so that they can exercise that without any restraint as the result of the possibility of offending a sponsor.

Mr. REVSON. Forgive me, but that is a very long subject and I would have to sit with you by the hour to discuss it.

Mr. MOSS. I am very interested. You are a rather important sponsor. We are faced up here with a need to come up with some legislative recommendations to deal with problems which have been developed in the course of these hearings.

Mr. REVSON. To answer your question simply and basically, I do feel in turn that a sponsor should and can have the right to work with the producer of a show.

Mr. MOSS. Would you say that it would be well to permit you the same opportunity to work with the editor of a magazine or a newspaper in which you are running your ads?

Mr. REVSON. The ad, we work the same way, sir.

Mr. MOSS. Of course, you prepare your ads. You have your commercial spots on the program. That, of course, is a matter of your selection and determination.

Mr. REVSON. But, you see, that in turn the entire production of shows has peculiar facets to it.

Mr. MOSS. They sure do.

Mr. REVSON. I mean in the same sense here. If you buy a cowboy picture, they are produced by maybe Warner Bros., or something, and you get the scripts. They produce them out in Hollywood and the station buys them and they in turn sell them to you.

This is a movie thing. Of course, live shows are different. There are so many complex aspects of it.

But the script, it is not unusual at all that the script of a live show is OK'd by the advertising manager or the person in charge of advertising to go over the script of the show.

Mr. MOSS. This is common practice, then, that the scripts of the shows—

Mr. REVSON. The script in the sense of a written show.

Mr. MOSS. The script of a written show. They are all written, are they not?

Mr. REVSON. That is right.

Mr. MOSS. If it is live, it is written. If it is on film, it is written originally? It is all work from script?

Mr. REVSON. If it's an anthology, or if it's a "who done it," or if it's a series of half-hour or hour shows.

A great many times the scripts are submitted to the sponsor prior to the time of being produced.

Mr. MOSS. He has the opportunity, does he, or suggesting changes?

Mr. REVSON. Yes, he has.

Mr. MOSS. So we have a very high degree, then, of effective censorship on the part of those who are immediately paying the bill for the time; is that correct?

Mr. REVSON. I wouldn't call it censorship.

Mr. MOSS. What is it? Censorship is an act of prior restraint. That certainly would imply a prior restraint.

Mr. REVSON. I would say it is the opportunity to suggest.

Mr. MOSS. The suggestion from the man who pays the bill, you must admit, has a certain persuasive ring to it, does it not? You expect it to, or you would not suggest it.

Mr. REVSON. To artists and so forth that are in the business, it doesn't quite work that way, sir. They don't accept it whether you pay the bills or not. They have their opinions.

I must state that that way and leave it.

Mr. MOSS. They might have an opinion, but they might feel it would be far wiser to acquiesce rather than to desist; is that not true?

Mr. REVSON. Not necessarily so.

Mr. MOSS. Would you say that they ignore your suggestions as often as they accept them?

Mr. REVSON. Pardon me?

Mr. MOSS. Do they ignore your suggestions as often as they accept them?

Mr. REVSON. That is too moot a question. I don't know how to answer it.

Mr. MOSS. Are there any sharp discussions that take place when these suggestions are made? Do you aggressively pursue your suggestions?

Mr. REVSON. It would have to be about a specific show that you would have to ask me because each show is different.

Mr. MOSS. Just a moment, I will find one. There was an article by Mr. John Crosby in the New York Herald Tribune. He said:

It would have been a funny bit, but it was cut out of the "Big Party," CBS-TV, 9:30 to 11 p.m., alternating with "Playhouse 90." The idea was an opening with Greer Garson on the telephone and underneath would appear the legend, "The telephone is not really connected." Later when a dog was seen reading a book, he liked the movie and he wanted to read the book, another legend "The dog can't really read." Still later when Mary Healy was imitating Ethel Barrymore, another legend, "It is not Ethel Barrymore," but television sense of humor about itself is at a low ebb at the moment so the bit came out. The "Big Party" which I find a very good show, an opinion not shared by everyone, is already in big trouble. One director has left and there are rumors of revolt against Charles Revson, who is running the show for Revlon with all the tact of a bull elephant.

Certainly there must be some rumors current for someone to report that.

Mr. REVSON. May I answer that, please, quickly?

I am getting a little tired. This is an unfortunate circumstance, and you ask me to answer you. I shall.

Whether this particular incident gives the course to this entire article, you will be the best judge for yourself, when I tell you the truth.

The script writers felt in turn that they would have some funny remarks in the script, such as, "The dog is alive." "This is a real telephone"; et cetera, et cetera. This had relationship to Mr. Frank Stanton's remark that everything would have to be honest and so forth.

They came to me and they asked me whether I felt that in turn this is too subtle or not too subtle, and so forth.

I said, rather than in turn trying to be one way or another, I think the smartest thing is to just delete it and not offend anyone.

So because of same I am now chastised. This is the truth.

Mr. MOSS. Why rely on this use of a public medium of great value which is available to you for the presentation of your product solely for that reason? Why should you have any right to determine the content of that which is presented to the public?

Mr. REVSON. Our name is there, sir, and everything else is there.

Mr. MOSS. Wouldn't it be nice if you were relieved of this responsibility?

Mr. REVSON. In this particular case, again I tried to give you the honest answer that you asked me.

Mr. MOSS. There has never been an act of censorship committed without someone feeling that they were exercising good judgment.

Mr. REVSON. I didn't say I exercised good judgment. I just said that it came to me in the manner in which it did. That in turn this might cast reflection on somebody's remark and I felt it would be smarter to just leave it out and cast no reflections.

Mr. MOSS. Cast no reflections. And we have other stuff that is deleted to avoid controversy. When we finally get through we have something sterilized at about a 12-year-old level. That is the net result, the mediocrity as a level for entertainment rather than something that is a little more constructive.

Those are all the questions I have, Mr. Chairman.

Mr. ROGERS. The Chair recognizes Mr. Bennett.

Mr. BENNETT. I have a few additional questions.

In your statement you said that you had expressed considerable concern over the fact that you heard about a contestant being disgruntled and criticizing the program for being dishonest. The first thing you did was to ask Mr. Abrams to investigate it.

Mr. REVSON. The first thing I asked was our counsel to do so.

Mr. BENNETT. You didn't ask Mr. Abrams to investigate it. He got a complaint and investigated, but didn't tell you about it until 3 months later?

Mr. REVSON. That is correct, sir.

Mr. BENNETT. When he did tell you about it, what did you say to him?

Mr. REVSON. I said to him that I felt that in turn he should have spoken to me about it sooner so that I could have had the counsel get into the thing, because I felt in turn all matters like that should be immediately gone into.

Mr. BENNETT. Did you ask Mr. Abrams if it was true that the producers were controlling this program as had been charged?

Mr. REVSON. When I asked Mr. Abrams about that, he told me exactly what is written there, and that is in turn that they just filed the thing as an accident and he had to believe it at that particular point as being an accident and no more.

Mr. BENNETT. But Mr. Abrams knew that a producer was controlling the program to suit your convenience or the convenience of your company. He says that in his statement. Did you question Mr. Abrams about this at length?

Mr. REVSON. I asked Mr. Abrams in turn—well, he told me. I am just answering you. He told me that in turn he was satisfied that this might be an accident and I accepted it that way when he told me about it again—I mean the first time he told me about it I had our counsel get into it, and I covered it. The counsel had the producers and everyone in and discussed the thing most thoroughly.

Mr. BENNETT. You didn't personally investigate this charge yourself?

Mr. REVSON. No. I covered that before by saying that in turn I felt Mr. Jaffe was most competent to get into that, and he is.

Mr. BENNETT. I have no doubt about his competency. But this was a matter of vital concern to your company, was it not? You were spending 65 percent of your advertising money on this program.

Mr. REVSON. At this particular point we weren't—

Mr. BENNETT. If this program failed it was a very costly thing to you.

Mr. REVSON. At this particular point we were not spending 65 percent. We were down to maybe 55 percent. That is irrelevant. That is a side issue. It was not important.

Mr. BENNETT. But that was not enough to concern you personally. You did not consider it important enough to personally talk to the producers. Do you know Mr. Koplin?

Mr. REVSON. Do I know Mr. Koplin?

Mr. BENNETT. Yes.

Mr. REVSON. Yes; I met him a few times.

Mr. BENNETT. He was running this program for the producers, wasn't he?

Mr. REVSON. I don't know. I assume so. But I don't know.

Mr. BENNETT. When you heard it was dishonest, did you think that the charge was important enough to discuss it with him personally or to call a meeting of Abrams and your brother and Koplin and get the whole group together?

Mr. REVSON. No; my brother was not with the company at that time.

Mr. BENNETT. Whoever was in his place.

Mr. REVSON. I said to you that I instructed Mr. Jaffe to get at this thoroughly.

Mr. BENNETT. Did Mr. Jaffe talk to your own people about it and did he talk to the producers?

Mr. REVSON. Yes; he did.

Mr. BENNETT. Did he talk to your people?

Mr. REVSON. Yes, sir.

Mr. BENNETT. Did he talk to the contestant who made the charge?

Mr. REVSON. No; he did not, because at the time that contestant was to be called by the district attorney, and so he did not.

Mr. BENNETT. Do you think you were diligent in trying to find out what was going on?

Mr. REVSON. Yes; I do.

Mr. BENNETT. Here is your vice president, Mr. Abrams, who was running the advertising part for you, making this statement:

The decisions that were arrived at about the contestants who should continue on the "Question," how a man should go on the "Challenge," and the sponsor—that is you—

and the agency expected that the decisions would be carried out with a high degree of accuracy.

This is Mr. Abrams' sworn statement. Then he says further:

The producers carried out the sponsor's wishes most of the time as suggested at these meetings.

Your representative, your high-ranking officials, were asking and expecting the producers to make this the dishonest program that it

was. The producers are claiming that they did it at your request, to keep the popular contestant on the program.

Do you think as president of this company that you were diligent in trying to get the facts?

Mr. REVSON. At the time I spoke to Mr. Abrams about this and the time that our lawyer got into it, this is not the impression that I had as to what you have just read to me. Otherwise, in turn, if that were the case, then I would be.

Mr. BENNETT. You never personally talked to the producer, the fellow that was charged. The contestant, in the spring of 1958, had charged that this was a dishonest program, that the questions were being provided to the contestants. You did not think that was important enough to discuss personally with Mr. Abrams or the producer.

That is a rather strange thing to me.

Mr. REVSON. No, I think it is sort of common the way I expressed it.

Mr. BENNETT. You think what?

Mr. REVSON. I think it is sort of proper the way I expressed it.

Mr. BENNETT. I didn't understand you.

Mr. REVSON. I felt that the way I did it was sort of proper procedure.

Mr. BENNETT. You have given me the impression in the statement that you were very deeply concerned about these charges of dishonesty. Yet as far as I can see, you personally did nothing about it.

In the first place you never attended these conferences between the producers and your own people, so you didn't know what was going on there. And after the charges were made of dishonesty you didn't take the trouble to talk to the producers personally. You delegated that to somebody else. In spite of that neglect on your part, you now attempt to tell this subcommittee that you were greatly concerned about it; you even thought of getting a "czar" to run these programs, when just a very simple interest on your part would have disclosed this thing. All you would have had to do was to get Mr. Koplin and Mr. Abrams together and you would have found out who was responsible for this whole business.

Mr. REVSON. Mr. Jaffe reported back to me and he felt that he pressed the thing and had gone into the thing as far as possible and he could not conceive in turn, there was no thought in anyone's mind of Mr. Abram's knowing or whatever it is. It was a meeting that was conducted to press, in turn, the producers. The producers, in turn, as I said to you, said if it did happen it was a sheer accident, and there was absolutely nothing more.

Mr. BENNETT. You got this all secondhand. You were sitting up in an ivory tower, apparently, letting these things go on and doing nothing about them. Your own people, one of your important officers, knew that your firm was involved in this thing. You were worrying about the contestant.

Mr. REVSON. No, I did not. I got into this thing when Mr. Jaffe reported it back to me and when the Stoney Jackson was the second thing that happened, I did get into it personally. I expressed that.

Mr. BENNETT. Have you discussed this matter with Mr. Abrams since all this fuss came up?

Mr. REVSON. Did I discuss with Mr. Abrams? At the time he was in our employ, yes.

Mr. BENNETT. You didn't discuss with him his knowledge of what was going on?

Mr. REVSON. I am saying that in turn I knew of no such thing as you are saying.

Mr. BENNETT. That is all, Mr. Chairman.

Mr. ROGERS. Thank you, Mr. Revson, for your testimony. And thank you, Mr. Clifford.

Is Mr. Robert Foreman present?

Will you stand and be sworn?

Do you solemnly swear that the testimony you are about to give shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FOREMAN. I do.

TESTIMONY OF ROBERT L. FOREMAN, ACCCOMPANIED BY COUNSEL, JAMES R. SCHULE

Mr. ROGERS. Will you state your name?

Mr. FOREMAN. Robert L. Foreman.

Mr. ROGERS. And your occupation?

Mr. FOREMAN. I am at present an executive vice president of the advertising agency Batton, Barton, Durstine & Osborne.

Mr. ROGERS. What is your address?

Mr. FOREMAN. 383 Madison Avenue, New York City.

Mr. ROGERS. You are accompanied by counsel?

Mr. FOREMAN. Yes.

Mr. SCHULE. James R. Schule. I am an attorney in the State of New York, vice president of Batton, Barton, Durstine & Osborne, 383 Madison Avenue, New York City.

Mr. ROGERS. What is your name, please, sir?

Mr. SCHULE. Schule, S-c-h-u-l-e.

Mr. ROGERS. Mr. Schule, you understand the rules of the House concerning hearings of this kind?

Mr. SCHULE. I do, sir.

Mr. ROGERS. Do you have a statement, Mr. Foreman, that you would like to make?

Mr. FOREMAN. No, sir; I am prepared to answer any questions to the best of my ability.

Mr. ROGERS. I think Mr. Goodwin will be employed to question you at this time.

Mr. Goodwin, you may proceed.

Mr. GOODWIN. Mr. Foreman, can you briefly describe your connection with the Revlon account and the shows, the "\$64,000 Question," and the "\$64,000 Challenge," and what date did you become associated with the Revlon account in this program?

Mr. FOREMAN. We became associated with the Revlon account before we had direct association with the program. We first became associated with the Revlon account on August 1, 1955. I am sorry, but I have to refer to notes. January 13, 1955, we were first awarded several of their products to handle the advertising.

Mr. GOODWIN. At the inception of the show later that year, your agency was also connected with that show as part of handling the Revlon account?

Mr. FOREMAN. Connected is a broad term. We were not the agency charged with the responsibility for that show for some 6 to 7 months, I believe, after it had gone on the air. We had commercials that we prepared which went into the program.

Mr. GOODMAN. You became charged with the responsibility for that show in early 1956, then?

Mr. FOREMAN. We became charged with the responsibility on February 14, 1956.

Mr. GOODMAN. In your capacity with Batton, Barton, Durstine & Osborne after you became charged with the responsibility for this show, did you have occasion to attend weekly sponsors' meetings in connection with the production of the "\$64,000 Question"?

Mr. FOREMAN. Yes, sir.

Mr. GOODMAN. Who was present at these meetings?

Mr. FOREMAN. Generally speaking, Mr. Martin Revson, Mr. George Abrams, another member of our organization, generally Mr. Ward; from the "Package," Mr. Carlin, Mr. Fleishmann and Mr. Koplin at one stage of it and prior to him I believe it was Mr. Cates.

Mr. GOODMAN. How long a period of time did you attend these meetings?

Mr. FOREMAN. I would say as long as we had the show though I did miss weeks here and there. From February 14, 1956, to November 12, 1957.

Mr. GOODMAN. For a period of almost 2 years. One year 9 months you were a regular participant at these meetings?

Mr. FOREMAN. Yes, sir.

Mr. GOODMAN. Mr. Foreman, were the contestants who were to appear on the following week's program a frequent subject of discussion at these meetings?

Mr. FOREMAN. They were.

Mr. GOODMAN. Were their potential effects on ratings discussed?

Mr. FOREMAN. Yes.

Mr. GOODMAN. Would you say that this again was a principal subject of concern at the meetings?

Mr. FOREMAN. It was a principal subject, yes.

Mr. GOODMAN. In testimony produced yesterday we received a picture that producers were often bowing or giving way to the sponsor's wishes in regard to whether a given contestant should continue on the show or should be dropped. Is that a fair picture?

Mr. FOREMAN. My knowledge of what they said was picked up from the newspapers as of last night and this morning, and I would like to state that I think it is naive of Mr. Koplin to have made the statement that he came in in fear and trembling in those meetings and they merely were there to quake and listen to the advertiser's wishes. To the contrary, usually the meetings began with the producer explaining what he anticipated the next week's program to entail.

Mr. GOODMAN. When you say he "anticipated," what does that entail?

Mr. FOREMAN. What contestants would continue and what would not continue, and what contestants they had in the wings who might or might not get on the show, depending on what happened to those currently appearing on it.

Mr. GOODMAN. After the producer had outlined his program for the following week, did people take exception to decisions that had been made as to whether a particular contestant should be continued?

Mr. FOREMAN. Here again I would like, I believe, to be somewhat at odds. Yes, on occasion they did take exception. This was a program that was riding high—higher than any that had ever been in the medium. Generally speaking, what these people pronounced was the order of the day. It was what was concurred upon and what was wanted and desired.

Mr. GOODMAN. Was it expected that when there was a concurrence in what was wanted and desired, that at that point the producers would do their best to carry out that decision?

Mr. FOREMAN. It was assumed by me.

Mr. GOODMAN. Was it assumed as a matter of general understanding that the producers did have the capacity to at least some degree control the program in the sense that they could help a contestant to answer a question correctly or to fail a question?

Mr. FOREMAN. I don't think I should be asked to state what somebody else assumed.

I assumed they had certain controls which they could exercise. Beyond that, it was never discussed. It was not the substance of the discussion or the fact of the discussion. I assumed that certain discussions would sooner or later be carried out on the program.

Mr. GOODMAN. Your assumption was, then, that the discussions as to whether a contestant should be continued or should drop off, when a decision—or, if a decision was reached—that would be carried out on the program?

Mr. FOREMAN. Generally, the discussion was on the dramatic value or lack of it of a contestant. To the best of my recollection it was not either necessary nor was it a fact that statements were made, "take such a person off," "put such a person on," and so forth. The discussions did concentrate around whether this person or that person was good for the show or bad from a dramatic standpoint.

Mr. GOODMAN. Were you aware that when it was decided that a given contestant was good, that the producers would then make an effort, or did you assume they would make an effort, to exercise the controls you knew they had?

Mr. FOREMAN. I assumed it.

Mr. GOODMAN. To keep the people on the program. Do you consider it possible that other participants in this meeting were not aware to any extent that producers had controls?

Mr. FOREMAN. I consider it possible.

Mr. GOODMAN. From the tenor of the discussions, do you consider it likely?

Mr. FOREMAN. I can say what I only did myself. I would have considered it naive of me to think this. I can't go beyond that.

Mr. GOODMAN. Is it fair to say, then, that one of the major purposes of this meeting was to discuss contestants with a view as to whether their continuation on the show would increase the ratings and entertainment and then to inform or keep the people who were producing the show informed of these decisions in which they were active participants so that they would carry them out on the show?

Mr. FOREMAN. That was one of the objectives. However, again let me emphasize, that usually these things were presented and arrived at by the packagers themselves. They were in the driver's seat on this show.

Mr. GOODMAN. In many cases they would present their decisions as to who would continue and they received an acquiescence from the sponsors and the agency?

Mr. FOREMAN. Agreement or acquiescence; yes.

Mr. GOODMAN. Mr. Foreman, you are the author of a book called "The Hot Half Hour," are you not?

Mr. FOREMAN. Yes, sir.

Mr. GOODMAN. That book deals with a hit quiz show, does it not, among many other things? That is one of the themes around which it revolves?

Mr. FOREMAN. Yes, it does.

Mr. GOODMAN. Mr. Foreman, is it fair to say that at least to some extent that book reflects your experience with the "\$64,000 Question"?

Mr. FOREMAN. It is fair to say that any piece of fiction must have to some extent come from a man's experience; but that book is fiction and it is a synthesis of my experience and my imagination and no more than that.

Mr. GOODMAN. When you say it is a synthesis of experience and imagination—there is one passage in that book, is there not, in which the hero, an advertising man, says to the producer: "I know very well you can control contestants. It is nothing more than a dramatic performance." Mr. Foreman, was that statement arrived at out of experience or out of imagination?

Mr. FOREMAN. A combination of assumption and secondhand experience, I would say.

Mr. GOODMAN. Mr. Foreman, when was that book published?

Mr. FOREMAN. I don't really remember.

Mr. GOODMAN. Was it published subsequent to the time that the Revlon account was received?

Mr. FOREMAN. Yes, it was.

Mr. GOODMAN. I wonder if you can tell us the circumstances under which Revlon dropped B.B.D. & O. as advertising agent? What were the reasons that were given to the agency for that?

Mr. FOREMAN. The reasons, as stated, simply as I can do it, was that they no longer felt that we were doing the job in advertising for them that they looked to us for. Of course, we disagreed with this point of view, but they had the right to drop us just as any contract with any agency can be terminated.

Mr. GOODMAN. Did anybody subsequent to that time from Revlon, Inc., or from any other group charge you with having attempted to discredit the Revsons in that book?

Mr. FOREMAN. No, sir.

Mr. GOODMAN. You have heard no such charges or accusations?

Mr. FOREMAN. I have not heard that; no, sir.

Mr. GOODMAN. I have no further questions.

Mr. ROGERS. Mr. Moss.

Mr. MOSS. No questions.

Mr. ROGERS. Mr. Bennett.

Mr. BENNETT. Mr. Foreman, you were at these meetings representing the advertising agency?

Mr. FOREMAN. I was, sir.

Mr. BENNETT. And that was the advertising agency that worked for Revlon?

Mr. FOREMAN. At that time, yes, sir.

Mr. BENNETT. At any of these meetings you attended, did anyone from the sponsor, the Revlon Co., indicate to the producer that they wanted a particular contestant to stay on the program or that they wanted to let a contestant get off?

Mr. FOREMAN. Inferentially, yes. We discussed whether a contestant was good or bad. By that I assumed that a good one should remain on and a bad one should be removed as quickly as possible.

Mr. BENNETT. Here is a memorandum of March 21, 1957. Messrs. Robinson, Abrams, Fleischman, and Foreman were there. Would you be the Foreman that was there?

Mr. FOREMAN. Yes, sir.

Mr. BENNETT. Part of the memorandum states this:

It was not decided as to how much longer Teddy Nadler would continue on "Challenge."

Do you recall the discussion that prompted that?

Mr. FOREMAN. No, I wouldn't recall the particular discussion.

Mr. BENNETT. You don't recall the discussion about any particular contestant?

Mr. FOREMAN. Not in that instance, no. I may have in some instances.

Mr. BENNETT. Do you recall anybody representing the sponsor telling the producer that they wanted contestant so and so to stay on the program for a while?

Mr. FOREMAN. No, sir; not a specific one.

Mr. BENNETT. Never have?

Mr. FOREMAN. No, sir.

Mr. BENNETT. As far as you know there was no effort made by the sponsor to have the producer exercise any control over the length of time a contestant would be on the program?

Mr. FOREMAN. Not per se. Merely by stating the desires in terms of the dramatic values of the various contestants. Never any conversation of do this or do that, in which pain of death was held over the head of a producer which is the intimation I got out of the newspaper articles.

Mr. BENNETT. I am not talking about newspaper articles. I am talking about you. You were participating in these meetings between the sponsor and the producer. What I want to know is whether the sponsor told the producer what to do with the contestants.

Mr. FOREMAN. He told them very definitely what contestants they felt were good for the show and which ones were bad for the show.

Mr. BENNETT. As far as you know the sponsor did not tell the producer how long a contestant should stay on or whether he should be taken off?

Mr. FOREMAN. Not in those words.

Mr. BENNETT. Did he do it in some other words?

Mr. FOREMAN. Unless you take the implication that if a good contestant should remain on and a bad contestant is not good for the show.

Mr. BENNETT. Let me put it this way: Did you hear the sponsor say to the producer "we like the contestant, he is a good man. We hope he stays on the show?"

Mr. FOREMAN. I heard many conversations in which the sponsor stated that a contestant was good and was doing very well and the rating was satisfactory, et cetera.

Mr. BENNETT. They have all said, even those that have been in dispute, that the sponsor expressed the hope that a contestant would stay on the show. Did the contestant that a sponsor expressed an interest in stay on the show? Did you make any observation or check to see whether those that the sponsor wanted to stay on the show did actually stay on or whether one that the sponsor wanted off did go off?

Mr. FOREMAN. Generally speaking, what the consensus of opinion on the contestant value was, those people would remain on the show, I would say more often than not.

Mr. BENNETT. The ones the sponsor interested himself in usually stayed on the show?

Mr. FOREMAN. Yes.

Mr. BENNETT. Ones they expressed an interest in getting off usually got off?

Mr. FOREMAN. I think I ought to say that more often the producer had the same point of view and that this was not instigated in every instance by the sponsor.

Mr. BENNETT. No, but did you have the feeling that there was a general understanding, between the sponsor and the producer, about the program being controlled to suit their mutual desires as far as contestants were concerned?

Mr. FOREMAN. I see by Mr. Abrams' statements that he was knowledgeable about control. I know that I assumed that there was control and beyond that I can't say.

Mr. BENNETT. You did not hear it?

Mr. FOREMAN. I never discussed it with any of them.

Mr. BENNETT. You did not hear the producer give the contestant the answer to the question?

Mr. FOREMAN. I certainly did not. In fact, personally I was shocked to hear it had been done. I never assumed it was necessary on this particular program.

Mr. BENNETT. Did you have the idea that everything was on the up and up on the content?

Mr. FOREMAN. Except for the fact that they knew intensely the knowledgeable areas of the contestants and they could play to their strengths or weaknesses. That I assumed. Other than that I would not have anticipated the giving of answers or anything as blatant as that.

Mr. BENNETT. What kind of control did you feel they had? Was it control they exercised by asking questions specifically in the area that they were sure the contestant could answer?

Mr. FOREMAN. Again this is an assumption but I assumed by their screening methods they found out the strengths and weaknesses of the various contestants and could play to them or against them by the difficulties of the question.

Mr. BENNETT. Did you ever discuss this with Mr. Abrams?

Mr. FOREMAN. No, sir.

Mr. BENNETT. What part did you play in these meetings? Just sort of observer?

Mr. FOREMAN. We were there to advise the advertiser in all phases from the main program to the commercials and upcoming contestants. One of our big problems was looking for contestants who were interesting.

Mr. BENNETT. You were representing the sponsor?

Mr. FOREMAN. Yes, sir.

Mr. BENNETT. Did you ever make any comment about the advisability of keeping a contestant on the program?

Mr. FOREMAN. Merely in terms of whether a contestant was good or bad from a dramatic standpoint.

Mr. BENNETT. If you said he was good it went without saying that he should stay on; is that it?

Mr. FOREMAN. Well, I don't know whether it went without saying but we were merely transmitting our point of view to the advertiser who in turn had the power over the package.

Mr. BENNETT. Have you talked to either of the Revsons about your testimony here?

Mr. FOREMAN. No, sir.

Mr. BENNETT. Did you ask to come here as a witness?

Mr. FOREMAN. I agreed to come without subpoena. Mr. Goodwin asked me if I would, and I said certainly.

Mr. BENNETT. You did not request to come voluntarily?

Mr. FOREMAN. No, sir.

Mr. BENNETT. In the book that you wrote, did the sponsor dictate to the producer how long the contestants stayed on the program?

Mr. FOREMAN. I would have to reread it. I don't think so, frankly. I don't recall.

Mr. BENNETT. I am sorry I have not read it.

Mr. FOREMAN. Mr. Goodwin tells me no. I guess the answer is "No."

Mr. Moss. I believe you stated that you assumed that controls were used on this program. How did you arrive at that assumption?

Mr. FOREMAN. I put several things together. Among them the fact that discussions in anticipation of programs seem to become fact when the show was on the air, but equally importantly I knew there was a budget of the program and that had to be lived up to.

The fact that there was a half hour that you had to get on and off. That it would not be good to have four children on the show, or all old women. There had to be a certain fluidity or flow to that from a dramatic standpoint.

Therefore, I assumed that certain controls were exercised.

Mr. Moss. Of course, you would always have the right to pick the contestant. Some method of selection would have to be arrived at for a contestant. But control as to the type of questions which could hurry along a contestant's departure or keep him on for prolonged periods, how did you arrive at the consideration that type of control was important?

Mr. FOREMAN. That was mere assumption. I had no personal contact with any of the production technicians or how they selected the questions or anything like that. That was not our function on the program.

Mr. Moss. But an assumption has some basis. You just do not assume automatically. There must be something that led you to this assumption.

Mr. FOREMAN. I knew the contestants were screened. I knew they had to be quizzed thoroughly before they went on the show to find their fund or lack of it, and from there I drew the conclusion. I think it was merely an assumption on my part based on what I just said.

Mr. Moss. Was it perhaps strengthened because of the fact that contestants were discussed at these weekly conferences, the views expressed regarding them, usually brought about an action which seemed to support that controls were used?

Mr. FOREMAN. Yes, sir; I so stated that.

Mr. Moss. In these discussions, when these expressions of hope, desire, or opinion regarding the contestants were expressed, were they expressed in picturesque language?

Mr. FOREMAN. I frankly, though I suppose I don't intend to editorialize—my idea of picturesque language might differ from others. I don't think the language was particularly picturesque, personally.

Mr. Moss. Was it language we might use freely here, or you would use freely here as a witness?

Mr. FOREMAN. If the implication was vulgarity the order of the day, it was not.

Mr. Moss. If what?

Mr. FOREMAN. If the implication was—

Mr. Moss. I am implying nothing. I am asking you a question.

Mr. FOREMAN. I don't think it was picturesque. I think, generally speaking, the type of language that was used in those meetings could be used here.

Mr. Moss. You think generally it could be used?

Mr. FOREMAN. Yes, sir.

Mr. Moss. Were you present when Mr. Webb testified?

Mr. FOREMAN. I only came in at the tail end of his testimony.

Mr. Moss. This statement as to the picturesque language was not originated in any sense by this subcommittee. It came from other witnesses present at these meetings.

I merely ask you if there was such language used. Was the presentation of views quite aggressive?

Mr. FOREMAN. I am sorry, you will have to repeat that.

Presentation of views quite aggressive on occasions? There were quite aggressive presentations.

Mr. Moss. Were they warm?

Mr. FOREMAN. On occasions.

Mr. Moss. Were there sharp differences of opinion?

Mr. FOREMAN. On occasion.

Mr. Moss. These were good, bare knuckle sessions on occasion?

Mr. FOREMAN. More often they were to the contrary because the show was very, very successful and there was no reason to be at odds with anyone.

Mr. Moss. Have you had rather an extensive experience in working with sponsors on television shows?

Mr. FOREMAN. Yes, sir.

Mr. MOSS. Radio shows?

Mr. FOREMAN. Yes, sir.

Mr. MOSS. Is it the custom for the sponsor to hold such close control or supervision over his show as occurred in this instance?

Mr. FOREMAN. This is to a greater degree than has been my experience.

Mr. MOSS. To a considerably greater degree?

Mr. FOREMAN. I would say "Yes," sir.

Mr. MOSS. To an unusual degree?

Mr. FOREMAN. That implies that I don't think they should have been this close.

Mr. MOSS. No, I merely asked you if it was unusually close. There is no implication there unless you want to put it there.

Mr. FOREMAN. I would rather not say it was unusual because I don't feel qualified.

Mr. MOSS. I am only asking you from your experience. Certainly you are qualified to give an opinion on your experience.

Mr. FOREMAN. I think in my experience this is the closest I have witnessed an advertiser working on a television program.

Mr. MOSS. You said it was considerably closer. Was it unusually closer?

Mr. FOREMAN. On a weekly program I would say "Yes."

Mr. MOSS. Do you think it improves television to have this type of close supervision by sponsors?

Mr. FOREMAN. I believe sincerely that the gamut of American business has the right and the responsibility to participate in the entertainment of television.

By adding this aspect to the networks and the packages, better programming can result, rather than if they were left out of it and were devoid of responsibility in this area.

Mr. MOSS. I think it has been testified to before this subcommittee by representatives of the networks that sponsors do not control or have a decisive voice in content of programs. Is that your view? Do they, or do they not?

Mr. FOREMAN. We are generalizing, but that is not the case to the best of my experience.

In many instances, sponsors do have a voice in the entertainment portion of programs, such as selection of material, properties, even casting and so forth.

It has been my experience that is commonplace.

Mr. MOSS. And changing script or content of the program as well?

Mr. FOREMAN. That is correct.

Mr. MOSS. That is all the questions I have now, Mr. Chairman.

The CHAIRMAN. Mr. Divine?

Mr. DEVINE. No questions, sir.

Mr. ROGERS. Mr. Foreman, just one or two questions. Have you read the statement by Mr. Abrams?

Mr. FOREMAN. I read it hastily, sir, when I came in. I just was handed it. I didn't have a chance to look at it too thoroughly, but I have read it.

Mr. ROGERS. Do you look upon Mr. Abrams as a man of integrity?

Mr. FOREMAN. I do, sir.

Mr. ROGERS. Do you think his statement is correct or incorrect?

Mr. FOREMAN. I think his statement is in essence correct, sir.

Mr. ROGERS. What do you mean by in essence?

Mr. FOREMAN. I think he oversimplified. If you would ask me a particular question about his statement, I would be perhaps better able to answer what you are talking about.

Mr. ROGERS. Let us put it this way: Do you draw a line of demarcation in simplified deceit and oversimplified deceit?

Mr. FOREMAN. I am not sure I do, but I am not sure I understand the question, either.

Mr. ROGERS. What I am saying is simply this: Do you think that you can deceive the American public if you do it in a certain way, you are not guilty; but if you do it another way, you are guilty?

Mr. FOREMAN. I think deceit is wrong, and I think that the just desserts of it are due people who have been involved in it.

Mr. ROGERS. Do you look upon these programs as you now see them in the light of being deceitful?

Mr. FOREMAN. The giving of the answers and the degree to which I have read about these programs were manipulated or rigged, if you will, I think is appalling and I had no idea that this was done on the shows that we were working on.

Mr. ROGERS. But you are saying "giving answers." You are drawing a very thin line of demarcation. If you make signs to a man and convey to him what is in your mind, although you do not say one word to him in the English language, do you think that would excuse you from being deceitful if you have conveyed to him what you want him to know?

Mr. FOREMAN. No, I don't.

Mr. ROGERS. You do not think you would be deceitful?

Mr. FOREMAN. I mean I agree with you; that would be deceitful.

Mr. ROGERS. That would be deceitful?

Mr. FOREMAN. That's right.

Mr. ROGERS. As a matter of fact, anything that you do to create a situation that actually constitutes a false pretense would be deceitful; would it not?

Mr. FOREMAN. Yes, sir.

Mr. ROGERS. The people were led to believe that these shows were honest contests; were they not?

Mr. FOREMAN. That is correct.

Mr. ROGERS. And the fact of the matter is that they were not.

Mr. FOREMAN. It certainly turned out to be the case.

Mr. ROGERS. You knew that they were not; did you not?

Mr. FOREMAN. I knew they were controlled to the degree that I have described. At least, I felt that way.

Mr. ROGERS. You think that control was in the nature of deceit?

Mr. FOREMAN. I think it was deceitful.

Mr. ROGERS. The agency that you worked for charged the people for the work they did; did they not, Mr. Foreman?

Mr. FOREMAN. Yes, sir.

Mr. ROGERS. Then, what you were actually doing was obtaining money under false pretenses, too; were you not?

Mr. FOREMAN. Yes, sir.

Mr. ROGERS. Have you written a book on this subject about fraud? Are you the man who wrote the book?

Mr. FOREMAN. I have written a piece of fiction that involves a quiz program.

Mr. ROGERS. Does it go into the deceitful practices and things of that kind?

Mr. FOREMAN. It mentions controls but it also shows the lack of them.

Mr. ROGERS. Also shows the lack of them?

Mr. FOREMAN. Yes, the fact that the controls were imperfect.

Mr. ROGERS. I see. In other words, the intent was there but the result did not work out like it was intended?

Mr. FOREMAN. That is correct.

Mr. ROGERS. Sort of like a man intending to shoot another one but missed him.

Mr. FOREMAN. It could be compared with that, sir.

Mr. ROGERS. Mr. Foreman, you were well known in this business; were you not?

Mr. FOREMAN. Sir, I don't like to use past tense; but, yes.

Mr. ROGERS. I withdraw the question. You have been well known in the advertising business?

Mr. FOREMAN. I think so, sir.

Mr. ROGERS. What I really meant was that your association with these quiz shows was well known to everyone; was it not?

Mr. FOREMAN. With the two quiz shows—the "\$64,000 Question" and "Challenge"—I was directly involved with them; yes, sir.

Mr. ROGERS. In other words, most everyone identified you with the television activities of quiz shows, did they not, in the business you were in?

Mr. FOREMAN. Not that broadly; but on these two particular shows, yes.

Mr. ROGERS. Did the Federal Communications Commission or any person whomsoever representing that body ever, at any time, consult you or confer with you in regard to these shows?

Mr. FOREMAN. No, sir.

Mr. ROGERS. You say, "No, sir"?

Mr. FOREMAN. No, sir.

Mr. ROGERS. Did anyone from the Federal Trade Commission, in any capacity whatsoever, come to you or talk to you or consult with you or confer with you concerning these shows?

Mr. FOREMAN. No, sir.

Mr. ROGERS. Have you talked to agents or representatives or anyone associated with those agencies or either of them since 1955 for any purpose whatever?

Mr. FOREMAN. I appeared before the FCC investigators in New York on—I think the subject was called network practices. I appeared at some length.

Mr. ROGERS. Network practices. Did those network practices have anything to do with this quiz show problem?

Mr. FOREMAN. No, sir.

Mr. ROGERS. Then you have not been consulted by them or any of their representatives in any manner whatsoever insofar as quiz shows themselves are concerned?

Mr. FOREMAN. No, sir.

Mr. ROGERS. I think that is all the questions I have.

Mr. Goodwin, I think, has a question.

Mr. GOODWIN. Mr. Foreman, you are a man of wide experience in advertising. Would you say from your experience and your impressions that the fact that quiz and panel and other types of citizen-participation shows are controlled is a fact widely known and assumed in the television industry and those people connected with it?

Mr. FOREMAN. I should think anyone with a certain depth of experience would know that controls of the type I mentioned were fairly common practice, but not the giving of the answers or anything that is—

Mr. GOODWIN. You have testified that those controls of the type you mentioned you would now, in the light of experience of the past year, classify as deceit.

Mr. FOREMAN. That is correct.

Mr. GOODWIN. You would think, then, that the industry as a whole, or the people in it with great experience, were generally aware of this type of practice—from your own experience?

Mr. FOREMAN. That is quite a generality. I certainly think that people in the production areas or close to the production area of this type of programing would be aware of some type of control.

Mr. GOODWIN. And those people in the networks who at one time participated in the production of this type of show?

Mr. FOREMAN. It is possible; yes.

Mr. GOODWIN. Do you think that the people who are now suffering as the result of their activities being disclosed, in the terms of a well-known columnist, are being made "to atone for the sins of an entire industry"?

Mr. FOREMAN. I certainly think they are the most dramatic examples and they are suffering from things that were more commonplace than the general public was aware of.

Mr. GOODWIN. I have no further questions.

Mr. ROGERS. Are there any other questions by the subcommittee members?

If not, thank you very much, Mr. Foreman.

Mr. FOREMAN. Thank you.

Mr. LISHMAN. I would like at this time to call Mr. Goodwin. He has already been sworn as a witness, so he need not be sworn again.

Mr. ROGERS. Mr. Goodwin, will you take the witness stand?

TESTIMONY OF RICHARD N. GOODWIN, SUBCOMMITTEE CONSULTANT—Resumed

Mr. LISHMAN. Mr. Goodwin, you have already been sworn?

Mr. GOODWIN. Yes, sir.

Mr. LISHMAN. To make the record clear, please state briefly what position you hold.

Mr. GOODWIN. My name is Richard Goodwin and I am special consultant to the House Special Subcommittee on Legislative Oversight.

Mr. LISHMAN. In pursuance of your duties, did you have occasion to interrogate a Miss Shirley Bernstein under oath?

Mr. GOODWIN. Yes, sir.

Mr. LISHMAN. And will you please briefly describe the circumstances surrounding your taking of her sworn testimony?

Mr. GOODWIN. Following several interviews with Miss Bernstein in New York City, I met with her in Los Angeles where she had gone in connection with her duties in television. I took from her a sworn interrogation.

After having completed the formalities connected with this interrogation, I sent it to her. She went over it, made some minor corrections, signed it, swore to it, and returned it to this subcommittee.

Mr. LISHMAN. Mr. Goodwin, what is the date of the verification of this sworn statement?

Mr. GOODWIN. The date is October 5, 1959.

Mr. LISHMAN. Is it a fact that subsequent to that date and up to the present, that we have learned additional facts which were not known by you at the time you interrogated Miss Bernstein?

Mr. GOODWIN. That is true, sir.

Mr. LISHMAN. I have particularly in mind the testimony that we elicited from Mr. Ross, the manager of Patty Duke?

Mr. GOODWIN. Yes, sir.

Mr. LISHMAN. And the executive testimony that was taken of that little girl?

Mr. GOODWIN. Yes, sir.

Mr. LISHMAN. You did not have the knowledge that was developed at those interrogations at the time this sworn statement was taken?

Mr. GOODWIN. That is correct, sir.

Mr. LISHMAN. I would like to have you read this statement.

Mr. ROGERS. Mr. Lishman, let the Chair make this inquiry.

Mr. Goodwin, the statement to which you refer, the questions are questions propounded to Miss Bernstein by you?

Mr. GOODWIN. Yes, sir.

Mr. ROGERS. And the part shown as answer are the answers of Miss Bernstein; is that correct?

Mr. GOODWIN. Miss Bernstein: yes.

Mr. ROGERS. Without objection, this will be allowed and I think to expedite the matter, Mr. Lishman, if you would care to read the question and let Mr. Goodwin read the answer, I think we can hurry the hearing along.

Mr. LISHMAN. Very good. Read the introduction.

Mr. GOODWIN (reading):

Interrogation of Miss Shirley Bernstein by Richard N. Goodwin, special consultant, House Special Subcommittee on Legislative Oversight.

Mr. ROGERS. Let the record show that the answers are given by Mr. Goodwin and the questions by Mr. Lishman. It won't be necessary to repeat them.

Question. Will you please state your name and address.

Answer. My name is Shirley Bernstein. I live at 40 West 55th Street, New York City.

Question. Miss Bernstein, when did you first become associated with the quiz program, "\$64,000 Question"?

Answer. In September 1955 I became a researcher for Louis Cowan, Inc., which produced "The \$64,000 Question" at that time. I interviewed people and did some research. Later, in 1956, I helped with the show "The Big Surprise," also a quiz show which was produced for the most part by Mert Koplin. I helped write the questions.

Question. Did you have any contact with contestants on that show?

Answer. No; I talked about them with Mert as to their value on the show.

Question. When did that show go off the air?

Answer. It went off the air in the spring of 1957.

Question. Then what did you do?

Answer. Then I was put to work on the show "\$64,000 Challenge." Slowly the burden of work shifted so I was doing most of the work. Then Steve Carlin, the head of Entertainment Productions, Inc., which produced the "Challenge" show, told me that I would, in effect, be the producer of the show. However, Revlon, who was sponsoring the program, felt very strongly that a woman should not get the producer credit; it evolved with Steve as the executive producer and I the associate producer, with no one getting the producer credit. In effect, then, I was producing the show. This was in January of 1958.

Question. Entertainment Productions, Inc., was the producer of the "\$64,000 Question," the "\$64,000 Challenge" and "The Big Surprise," and was the successor corporation to Louis Cowan, Inc. Is that correct?

Answer. Yes, sir.

Question. When did you stop producing the "\$64,000 Challenge" show?

Answer. When it went off the air.

Question. Would you say that during that period you effectively directed the production of the "\$64,000 Challenge"?

Answer. Yes; but I did nothing of any importance without Steve Carlin knowing of it, and much of what I did was at his direction. I was left to do some on my own, but we would have biweekly meetings and I was under his supervision.

Question. Did you interview contestants prior to their appearance on the show and after they had been selected as contestants?

Answer. Yes, surely.

Question. What was the purpose of this interview?

Answer. First to orient them to what the show was—the mechanics of the show—the way the questions were asked, etc.—basically the rules of the game. The interview also gave me some sense of their personality and outgoingness. By that I mean how communicative they would be; how they would appeal to the audience; what they might be like when on the air.

Question. Hadn't you done this before selecting them as contestants?

Answer. I didn't interview them at that time. I relied a great deal on the people who served as our selectors. They came to me with pictures of the contestant and estimates of his personality, etc. Then I would see the contestant. If I agreed with the screener that he was a good contestant I would ask if he knew the subject on which he was supposed to be an expert, and, if he had a good grasp of his subject, I would select him.

Question. What was the most important factor in a contestant's being selected—knowledge or personality?

Answer. He had to have both.

Question. Now at the meeting which was subsequent to the contestant's selection but preceded his appearance on the show, what would you discuss aside from the general format of the show?

Answer. In most cases I would have an extensive general comprehensive discussion of the subject on which he was to appear. Some of these subjects I already knew something about and others I would study up on prior to having the discussion with the contestant.

Question. What was the purpose of these general discussions?

Answer. To give me as much material as possible so that I could find out the range of a contestant's knowledge. For example, if a subject is Shakespeare and I find out that he talks only about the tragedies and knows little about the comedies, then I know I must never ask him a question in an area in which I find he is weak.

Question. In the case of a contestant on Shakespeare, might you go a little further and find out not only that he was strong on the tragedies but that he was strong on the characters in the tragedies and not on the plot development of the tragedies?

Answer. That is possible, yes.

Question. Why did you want to know a contestant's specific areas of strength and weakness within his subject?

Answer. So that in the writing of the questions I could, with some degree of success, prognosticate the outcome of the match in which the contestant was to appear.

Question. Is this what is referred to as "control"?

Answer. Yes.

Question. Did you ever try more specifically, in a more specific manner, to find out what a contestant knew?

Answer. It would be an intensification of the same process. If it became important that a match evolve a particular way we then had to try to elicit more specific information from a contestant.

Question. Can you illustrate this?

Answer. For instance, if a man's subject was American history I might begin asking him a series of questions on American history. After some minutes' discussion I would ask him whether he knew on what date the first inauguration in Washington, D.C., took place. He might say "No," and I would mention to him that it had been in 1801. We then might proceed with other questions and answers in the area of American history for 15 or 20 minutes and then I would ask him if he knew when Thomas Jefferson was elected President. He might answer "Yes, he was elected President in 1800." We would then proceed with our discussion. On the show following this interview the question asked of this contestant would be: "Can you name the first President inaugurated in Washington, D.C.?" You can see that this was a circuitous way of putting two and two together. This is just a hypothetical example of a method used.

Question. Was this method used frequently?

Answer. Fairly frequently—two-thirds of the time. It was the most used method.

Question. With this method, although you could not be sure that the contestant would respond on the show, you could be fairly sure that he had the knowledge you were asking for?

Answer. That is correct.

Question. In the cases in which you used this method you could be fairly sure that the contestant would win if you wanted him to win?

Answer. That is true but there were some exceptions.

Question. What exceptions? Can you tell me what exceptions there were?

Answer. I can only recall one now. It involved the subject of American Indians.

Question. This method was a lot more certain method of control than the first one described?

Answer. It was more specific. It was more successful as an intensification of the same method.

Question. In which cases would you decide to use only the general method—that is, find out the areas of strength and weakness?

Answer. Sometimes you had a contestant who was very confident and had an extraordinary command of his subject.

Question. In other words, with some contestants, once you had discovered their areas of strength, their command of this area was so great that there was no need to be more specific in order to exercise control?

Answer. Yes.

Question. Would you ever ask contestants the almost identical questions that they were to be asked on the show?

Answer. Yes.

Question. How frequently?

Answer. That was pretty infrequent. Infrequent enough so that I can remember some specific cases, whereas I cannot remember any of the specific times that I did not use this method. In other words, the other thing was the norm. This was not the norm, so I tend to remember it.

(At this point Miss Bernstein gave specific examples of having asked virtually the identical questions of a contestant prior to his appearance on the show.)

Question. How frequently did you use this method?

Answer. About 20 percent of the time.

Question. Why?

Answer. Either the contestant was very nervous or the sponsor had requested a particular outcome of a match.

Question. Was this request made of you?

Answer. Not directly, but through Mr. Carlin.

Question. When would he transmit these requests to you?

Answer. Anywhere from 2 to 5 days before the show which they concerned.

Question. Most of the time the direct method just described was used in response to such requests?

Answer. Yes, there is no other reason to do it. What do I care who wins? But as a responsible producer I wanted the show to be as entertaining as we could make it.

Question. Did Mr. Carlin tell you that these were the requests of the sponsor?

Answer. After a while everything could be tacit. At the start he would say, "How is contestant X's knowledge?" I would say, "First class." He would say, "Do you think he will go high?" I would say, "I think so." He would say, "Good, because that's the way the sponsor wants the match to come out."

Question. Was it your complete understanding from the start that you were receiving instructions from the sponsor as to how a match should come out?

Answer. Yes, completely. There were many meetings with the sponsor where Mr. Carlin would come back white with anger.

Question. Did Mr. Carlin ever tell you directly that the sponsor had requested a particular outcome to a match?

Answer. Yes. Often I would say, "Why do it this way?" Mr. Carlin would say that it was not his wish, but the sponsor wanted it that way.

Question. By sponsor, he meant primarily Revlon?

Answer. Yes. I was given to understand that we had little or no interference from the Lorillard people.

Question. Would these directions be followed to the best of your ability?

Answer. Yes.

Question. When you wanted someone to be a loser in the match, how could you be sure that he would fail a question?

Answer. You couldn't be sure.

Question. How could you end a match if you wanted it to end?

Answer. I would take a chance based on my instinct and my knowledge of a contestant and his knowledge of a subject. So I would try to frame a question which was fair but difficult at its level. From my general discussion with him I would have evaluated his range of knowledge, his grasp of his subject, and would try to design a question which, in my sometimes fallible judgment, he could not answer, but not a question which aimed at his obvious weaknesses. This was self-preservation. We could not knock a contestant off. We could not give an enormously difficult question, or both he and the audience would know it. If we aimed at weaknesses which were obvious and which he knew that we knew he was weak on, we would arouse his suspicions. This is something we did not dare to do, and so we had to be most subtle in the manner I have just described. We would also, of course, exercise control so that the other contestant was likely to win.

If we badly wanted a match to come out a certain way, we would use whatever method seemed best in the situation in order that the contestant we favored would win, and we would use the method I have described above on the other contestant. Sometimes, even when a sponsor had said a match should come out a certain way, Steve would say to me to ignore this and let it go on as scheduled. And I said that myself on some occasions, in the form of a suggestion.

Question. With what degree of accuracy would you control the outcome of a match?

Answer. At the peak of my efficiency, about 80 percent. Of course, there were many matches that were left alone—that is, we would write questions so both would win, and leave the outcome to a tie or whoever won by chance. This was equal control.

Question. Do you consider what you did in controlling the match any different from giving the answers directly to a contestant in advance of the match?

Answer. I most certainly do. It was a difference of degree. First of all we were never in collusion with any contestant. What we did was not to tell the contestant what to know, but to ascertain from him what he already knew.

Question. As someone who works in the television industry, would you say that controls on quiz shows—in some cases even exceeding what you did—were very prevalent?

Answer. Based on what I know of quiz-show producing, I would say so. Controls are virtually essential to a good dramatic production that will sustain listener interest.

Question. Would you say the controls were so prevalent that it was safe to assume that the use of controls was generally known in the television industry?

Answer. I would say "Yes."

Question. By producers, advertising agencies, and networks alike?

Answer. Yes, in varying degrees.

Question. Do you know specifically, in the case of the "\$64,000 Challenge," that the networks or anyone connected with the networks knew of the controls you were exercising?

Answer. No, I do not.

Question. Did you have any intimations or hints that someone connected with the networks knew of these controls?

Answer. No; I had no contact with the networks.

Question. Were you running the "\$64,000 Challenge" show in the manner that Mr. Carlin wanted and expected you to do?

Answer. That is correct.

Question. Were controls similar to the ones you have described used on the "\$64,000 Question"?

Answer. No one said so specifically to me, but I assume so from my general knowledge.

Question. Were controls exercised to help insure the victory of virtually all the \$64,000 winners?

Answer. Yes, virtually all, but the controls varied in degree, ranging through all the methods I have described.

Question. Did you write the answers for the show before your interview with the contestants, or afterward?

Answer. It varied. Most of the time the questions were prepared in advance of the interview.

Question. So you knew the questions before the interview?

Answer. A good proportion of the time. If I, myself, had a command of the subject and was well aware of what the contestant knew, then I could wait to prepare the question. It might also depend somewhat on how busy I was.

Question. What was the purpose of using a reputable bank in which to keep the questions sealed up prior to the show?

Answer. I knew little about it. I had a key to the safe and I and my assistant would go in to get the questions.

Question. In the light of how the show was conducted, do you think the use of the bank was a little phony?

Answer. Yes, I do.

Question. Most of the time was a full series of questions generally kept in the bank?

Answer. Not a full series.

Question. One of the purposes of the bank was to give the impression that it was impossible for the contestant to get advance help of any kind?

Answer. Yes.

Question. Was this a false impression?

Answer. Yes.

Question. Deliberate, in your opinion?

Answer. Yes.

I hereby swear and affirm that the above is a true and accurate account of my answers to questions put to me by Richard N. Goodwin, special consultant for the House Special Subcommittee on Legislative Oversight.

SHIRLEY BERNSTEIN.

Sworn to and subscribed before me this 5th day of October 1959.

[SEAL]

BARBARA NORMINGTON,

Notary public in and for the County of Los Angeles, State of California.

My commission expires January 21, 1961.

Mr. LISIMAN. Thank you, Mr. Goodwin.

Mr. ROGERS. And the instrument was properly sealed.

Mr. GOODWIN. Yes.

Mr. ROGERS. The subcommittee will stand in recess until 7:30.

(Whereupon, at 6:13 p.m. the subcommittee recessed to reconvene at 7:30 p.m. of the same day.)

EVENING SESSION

The subcommittee reconvened at 7:30 p.m., upon the expiration of the recess.

The CHAIRMAN. The subcommittee will come to order.

Mr. Kenneth Hoffer.

Are you Mr. Hoffer?

Mr. HOFFER. Yes, sir; I am.

The CHAIRMAN. Mr. Hoffer, do you mind having your picture made?

Mr. HOFFER. No, sir; I don't mind.

The CHAIRMAN. Will you be sworn?

Do you solemnly swear that the testimony you give to this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HOFFER. So help me God, I do.

TESTIMONY OF KENNETH HOFFER

The CHAIRMAN. State your name, for the record, Mr. Hoffer?

Mr. HOFFER. Kenneth Hoffer.

The CHAIRMAN. And your address?

Mr. HOFFER. 418 Burnside Avenue, Reading, Pa.

The CHAIRMAN. What is your profession or occupation?

Mr. HOFFER. I am a buyer with the Pomeroy's, Inc., Reading, Pa.

Might I just point out that is not intended to be a plug.

The CHAIRMAN. Do you have a statement that you want to make at the outset?

Mr. HOFFER. No, sir; I do not. I just would say that I was requested to appear before this subcommittee by Mr. Robert Lishman, and I came here prepared to tell the truth and, therefore, I have no legal representation with me.

The CHAIRMAN. You do not need any counsel.

Mr. HOFFER. No, sir.

The CHAIRMAN. I hope there is no implication by that statement, but I stand on it, and I know you came here to tell the truth. We assume that all witnesses come before this subcommittee to tell the truth.

I wish I could say that I felt that was true all along. I think perhaps in view of the fact that our investigators have gone into the problems which have been involved and which I might say for the information of everyone, is a rather involved problem before it is going to be over. I do not necessarily cherish the responsibility of having developed some things that are going to look pretty bad for some people who are involved.

Certainly there is no intention on my part, personally, to develop situations that terribly reflect on some people. You are starting as a witness that is going to reveal some interesting facts.

I think that it would probably be better to have our investigator or Mr. Lishman, our general counsel, begin the questioning.

Mr. LISHMAN. Mr. Chairman, before asking questions of the witness, I would like the record to show that this phase of the hearing will introduce a whole new aspect which has come to the attention of the subcommittee relating to the television industry. Through the testimony of several witnesses we will hear this evening, it will be shown that large sums of money were paid by an individual or a company to get plugs on shows which had been sponsored by other firms.

These plugs were done without the knowledge or consent of those who sponsored the show. Mr. Hoffer, did there come a time when you became a contestant on the "\$64,000 Question"?

Mr. HOFFER. Yes, sir; there was. I believe it was on the night of August 9, 1955.

Mr. LISHMAN. Mr. Hoffer, at that time, by whom were you employed?

Mr. HOFFER. I was employed by Hess Bros. in Allentown, Pa.

Mr. LISHMAN. How long had you been employed by Hess Bros. in Allentown, Pa.?

Mr. HOFFER. I don't recall the exact amount of time in relation to months or years, but I think it was about 6 or 8 months.

Mr. LISHMAN. Who is Hess Bros.?

Mr. HOFFER. Hess Bros. is a department store in Allentown, Pa.

Mr. LISHMAN. When did your services as an employee of that store terminate?

Mr. HOFFER. My services as a buyer at Hess Bros. terminated on Christmas Eve, December 24, 1956.

Mr. LISHMAN. Mr. Hoffer, I am going to ask for a kinescope showing of that part of the \$64,000 quiz show—the "\$64,000 Question"—which was held on August 9, 1955.

The CHAIRMAN. May we wait just a minute. I would like to get a little more identification as to the background here, Mr. Hoffer.

You testified that Hess Bros. was a department store in Allentown, Pa.

Mr. HOFFER. That is correct.

The CHAIRMAN. Is that an ordinary department store that you would find in most any small community?

Mr. HOFFER. I would say it is; yes, sir.

The CHAIRMAN. It is not a large establishment?

Mr. HOFFER. Well, I don't know what you mean by large establishment. In standards of the community I would say it is a large department store.

The CHAIRMAN. It is not the ordinary department store you would find in a 15,000 or 20,000 population community?

Mr. HOFFER. No, sir; it is not. It is larger than that, sir.

The CHAIRMAN. It is not anything like with those in New York?

Mr. HOFFER. In size; no, sir.

The CHAIRMAN. But it is a rather extensive operation?

Mr. HOFFER. I would say it is.

The CHAIRMAN. What is the population of Allentown, Pa.?

Mr. HOFFER. I think from what I know that the population of Allentown is a hundred thousand people, the same as Reading, Pa.

The CHAIRMAN. You are still from Reading, are you not, Mr. Hoffer?

Mr. HOFFER. Yes, sir.

The CHAIRMAN. I wanted to establish that fact whether or not it is a small department store or a rather large department store.

Mr. HOFFER. In comparison to the department store I am now employed by with the same population, Hess Bros., would be considered a larger department store both in square footage and volume.

The CHAIRMAN. A larger department store operation?

Mr. HOFFER. Yes, sir.

The CHAIRMAN. How long did you work for them?

Mr. HOFFER. I worked approximately 3 years for Hess Bros.

The CHAIRMAN. What was your job with them? Salesman or something else?

Mr. HOFFER. No, sir; I was a buyer of men's furnishings on the main floor when my employment terminated with Hess Bros.

The CHAIRMAN. You were a buyer?

Mr. HOFFER. Yes, sir.

The CHAIRMAN. That was the job when your employment terminated?

Mr. HOFFER. Yes, sir.

The CHAIRMAN. Do you know anything about the volume of business annually?

Mr. HOFFER. I never saw any figures published, sir. Only hearsay.

The CHAIRMAN. I would not want you to state what you heard. I want you to state only what you know. You may proceed with your showing.

Mr. LISHMAN. Mr. Chairman, at this time I would like to have a kinescopic showing of the "\$64,000 Question" program as it came out over the air on August 9, 1955, showing only that portion in which Mr. Hoffer appeared as a contestant.

(Showing of kinescope.)

Mr. HOFFER. Could I make a statement at this time?

Mr. LISHMAN. Yes, sir.

Mr. HOFFER. With the lapse of 4 years, I was not quite sure of the time I was employed by Hess Bros. until it appeared on the show. I had said 6 to 8 months. On the current kinescope I said 14 months. I would like the correction to be made.

Mr. LISHMAN. Was that showing you have just seen a correct showing of your appearance on the "\$64,000 Question" on August 9, 1955?

Mr. HOFFER. As I remember it, yes, sir.

Mr. LISHMAN. Will you please describe how you came to be a contestant on this program?

Mr. HOFFER. It was some time during the latter part of July 1955, that I wrote a letter of application to an address which was given on the TV screen following each program on Madison Avenue to become a contestant on the program on the subject of Bible. It was a short time after this, one day I was in the recreation hall at Hess Bros. during my lunch hour, and I made the statement that I had written a letter of application to appear on this program and on one of my future buying trips to New York I intended to stop into the agency on Madison Avenue and find out if anything was ever done about the application that I had submitted.

On early Tuesday morning of August 2, I believe it was, I received a telephone call, and it was Mr. Levine's voice, who was an employee.

Mr. LISHMAN. Who is Mr. Levine?

Mr. HOFFER. As I know Mr. Levine he was employed by Hess Bros. in the public relations field. Mr. Levine said, "Mr. Hoffer, Mr. Hess has something he would like to say to you." I was curious and I said, "Yes, sir." Mr. Hess came on the phone.

Mr. LISHMAN. What time of the day was this phone call?

Mr. HOFFER. As best as I remember this was around 1 or 1:30 a.m. Tuesday morning, August 2. Mr. Hess said to me, "Hoffer, you are

going to go on the "\$64,000 Question." You are going to go the entire way to the \$64,000 question, and then you are going to miss." I said, "I am?" He said, "You are." He said to me at that time, "Do you know what one of the consolation prizes is on," I think it was, "one of the plateaus?" I remember saying to Mr. Hess that I thought it was a Cadillac automobile. He said that is correct. He said, "Do you know what a Cadillac is worth in money?" I said I believed a Cadillac was worth about \$4,000 in money. Then Mr. Hess said to me, "Well, \$4,000 is yours if you appear on the '\$64,000 Question.'" With that he said "Good night." Oh, excuse me. With that he said, "Will you be in the store in the morning and be prepared to go to New York City." With that Mr. Hess said "Good night."

The following morning I went to work as usual, early, and Mr. Levine and Mr. Gottlieb met me.

Mr. LISHMAN. Please identify Mr. Gottlieb.

Mr. HOFFER. At that time, as I remember, Mr. Gottlieb was a furniture buyer with Hess Bros. department store. They said, "We are going to New York City."

Mr. LISHMAN. Who said, "We are going to New York City"?

Mr. HOFFER. Mr. Levine, as I recall.

Mr. LISHMAN. Mr. Levine, the public relations man at Hess?

Mr. HOFFER. Yes.

Mr. LISHMAN. And Mr. Gottlieb, the employee of Hess at that time?

Mr. HOFFER. Yes, sir, was with him.

Mr. LISHMAN. They said to you that you were going to New York?

Mr. HOFFER. That is correct.

Mr. LISHMAN. And that you were to accompany them?

Mr. HOFFER. That is correct. Then Mr. Levine said to me, "Hoffer, do you have any communication or card or letter of any sort from the program?" I said, no I did not.

Mr. LISHMAN. How did Mr. Hess ever know that you had made an application on this show?

Mr. HOFFER. I have no idea, unless evidently someone in the recreation room overheard my statement and word got to Mr. Hess that way. I have no idea who would have mentioned it.

Mr. LISHMAN. Someone in the recreation room overheard your statement? When did you make such a statement in the recreation room, and to whom?

Mr. HOFFER. It was only a few days prior to that. I was involved in a friendly pinochle game over my lunch hour. I don't recall exactly who was sitting at the table at that time.

Mr. LISHMAN. Did you tell the person at the table at that time that you had an application in to go on the show as a contestant in the "\$64,000 Question"?

Mr. HOFFER. No, sir, I did not. I simply said that I had written an application to the program and that on one of my future trips to New York I was going to take a few minutes out and appear at the agency on Madison Avenue to see if anything was done about it.

Mr. LISHMAN. I believe it must have been on a Wednesday that Mr. Levine and Mr. Gottlieb were going to accompany you to New York; is that correct?

Mr. HOFFER. Our first trip was on a Tuesday.

Mr. LISHMAN. On a Tuesday.

Mr. HOFFER. Yes.

Mr. LISHMAN. What was said to you by Mr. Levine in connection with taking this trip to New York?

Mr. HOFFER. Really not too much was said to me on the way in. I remember we went to New York in Mr. Hess' automobile.

Mr. LISHMAN. Did Mr. Levine tell you that he was going to New York with you to see that you would get on the "\$64,000 Question"?

Mr. HOFFER. He implied that they were going to try to get me on the program.

Mr. LISHMAN. What happened after you got to New York?

Mr. HOFFER. As I recall, when we got to New York, we parked the automobile in a parking lot, and I think the name of the hotel we went to was the Hotel Piccadilly. I am not quite sure. If I was ever to go to that area, I could locate the hotel.

Mr. LISHMAN. Did you stay in the Hotel Piccadilly when you were there?

Mr. HOFFER. We did not stay there overnight. When we arrived there, we were in the lobby, and at that time there were some telephone calls made.

Mr. LISHMAN. Did you go to an office?

Mr. HOFFER. I recall that day going to two offices.

Mr. LISHMAN. What two offices did you go to?

Mr. HOFFER. In the sequence of appearance, I think I remember correctly that the first one we went to was an agency—I think at that time that was located on Madison Avenue—and there was a person there whom we talked to, and whom I was introduced to by the name of Gertrude Bayne. Following a stay there, I think the next place we went to was an agency on, I think it was 42d Street. I may be wrong in my location. But the agency belonged to Mr. Bert Nevins.

Mr. LISHMAN. Who is Mr. Bert Nevins?

Mr. HOFFER. I never personally had met Mr. Nevins until that time. I believe Mr. Nevins was a public relations man in New York who worked for Mr. Hess.

Mr. LISHMAN. Did you hear any conversation between Mr. Levine and Mr. Gottlieb?

Mr. HOFFER. No, sir, I did not.

Mr. LISHMAN. Did you hear any conversations engaged in by Mr. Nevins?

Mr. HOFFER. The only thing that I recall, and it sticks out in my memory because of the way it was said—when it was discussed that I should go on the program and go to \$64,000, Mr. Nevins, as I recall, said that if Mr. Hess thought he could do this, he was crazy.

Mr. LISHMAN. Before you left Allentown that morning, do you recall a telephone conversation that Mr. Hess had made to Mr. Nevins on a ship-to-shore telephone call?

Mr. HOFFER. I was not present when such a call was made but it was repeated in my presence that Mr. Hess—

Mr. LISHMAN. Just a moment. Who repeated that in your presence?

Mr. HOFFER. I don't recall any more, sir, who said it. It was made at the Nevins agency and the statement in effect was that when Mr. Hess had tried to contact Mr. Nevins, he happened to be on a fishing

trip off the coast of New Jersey and he contacted him by shortwave radio, I believe it was said, to come ashore.

Mr. LISHMAN. Did you ever tell Mr. Levine that you were an expert on the Bible and that would be the category you ought to select?

Mr. HOFFER. I recall saying that I had a fairly large knowledge of the Bible. I never said I was an expert.

Mr. LISHMAN. Did you tell Mr. Nevins or did you tell Mr. Levine that you were an expert on baseball?

Mr. HOFFER. No, sir, I did not.

Mr. LISHMAN. As a result of your trip to New York the first time, did you immediately get on this program?

Mr. HOFFER. No, sir, I did not.

Mr. LISHMAN. When did you get on the program?

Mr. HOFFER. I appeared on the program the following Tuesday, August 9.

Mr. LISHMAN. But preceding that, had you made another trip to New York?

Mr. HOFFER. Yes, sir. I was involved—

Mr. LISHMAN. Who went with you on that trip?

Mr. HOFFER. The second trip was made on a Thursday, which would have been the 4th of August. At this time Mr. Gottlieb accompanied me to New York City.

Mr. LISHMAN. Did anyone else accompany you?

Mr. HOFFER. No, sir.

Mr. LISHMAN. What was the purpose of that trip?

Mr. HOFFER. As I recall, sir, when we got to New York we went to the Cowan Agency on Madison Avenue and there I was introduced to a Mr. Schwartz.

Mr. LISHMAN. Mr. Elroy Schwartz?

Mr. HOFFER. I believe his first name was Elroy, yes, sir.

Mr. LISHMAN. What was his position in this television project?

Mr. HOFFER. I have no knowledge of what his position was with the Cowan Agency, but Mr. Schwartz talked to me about my personal background at that time.

Mr. LISHMAN. Did he screen you by asking you questions?

Mr. HOFFER. No, sir. He asked me no questions.

Mr. LISHMAN. Then what happened? I am trying to find out what actually happened before you got on this program.

Mr. HOFFER. Following my brief visit to Mr. Elroy Schwartz' office I was then introduced to Mr.—I think his first name was Joe, Joe Cates, in his office. As I understand it, Mr. Cates at that time was the producer of the show.

Mr. LISHMAN. What is that?

Mr. HOFFER. At that time I understood that Mr. Cates was the producer of the show.

Mr. LISHMAN. Yes, sir. Then what happened?

Mr. HOFFER. Mr. Cates simply again reviewed my personal background, and he asked me one or two brief, general questions concerning the Bible. At that time he asked me if I had seen the program the night the lady from Harrisburg, I think her name was Mrs. Creitzer, appeared on the Bible and he asked me if I could answer the questions she answered and, I said I could have answered some of them.

Mr. LISHMAN. Did he indicate that you would be taken on the show?

Mr. HOFFER. At that time Mr. Cates was not sure whether I would be on the show or not.

Mr. LISHMAN. At that meeting you had with Mr. Cates did he mention that you might possibly be given the category of baseball?

Mr. HOFFER. Yes, sir; he did.

Mr. LISHMAN. What did you tell him?

Mr. HOFFER. I told him I was no expert or authority on baseball; that the only thing I knew was what I had memorized out of baseball history books.

Mr. LISHMAN. What happened next in this step of events leading up to your appearing on the program on August 9?

Mr. HOFFER. As I recall it was the following day which would have been Friday, August 5. I went back to New York by train and also returned that day by train. I went to the Cowan Agency. Again, I talked to Mr. Elroy Schwartz. The purpose for that trip was to find out whether I would appear on the program the Tuesday night of August 9.

Mr. Schwartz said to me that at that time they were not certain whether I would appear or not; that they would have to make a telephone call to my home and let me know.

Following my conversation with Mr. Schwartz, I went down the elevator to the lobby of the building and I made a telephone call to Mr. Hess at the store in Allentown and I said to him that Mr. Schwartz had just talked to me and he was not certain yet whether I would appear on the program.

Mr. Hess wondered why they didn't know or why they couldn't say whether I was going to appear on the program or not. I said at that time I did not know.

Mr. LISHMAN. Did Mr. Hess know that you had talked to Mr. Schwartz?

Mr. HOFFER. In my conversation on the telephone that day I told him that I had talked with Mr. Schwartz.

Mr. LISHMAN. Then what happened in the next step in your getting on the show?

Mr. HOFFER. The next step, the Cowan Agency, I imagine it was one of the secretaries—she never gave her name—called my home and I was at work. She told my wife that she was to relay the message to me that I was to appear on the program the following night, Tuesday, August 9, and that I would have to be in New York by 5 o'clock and present myself to the Cowan Agency.

Mr. LISHMAN. Did you do that?

Mr. HOFFER. On Tuesday I went to New York and Mr. Gottlieb accompanied me and again we used Mr. Hess' car to go to New York.

Mr. LISHMAN. Did Mr. Schwartz tell you immediately preceding your appearance on the show that you could only get in two plugs for Mr. Hess?

Mr. HOFFER. Mr. Schwartz was concerned that I only mention the store two times.

Mr. LISHMAN. And told you that was the limit on your mentioning the store?

Mr. HOFFER. That's correct.

Mr. LISHMAN. Did he also tell you that your category would be baseball and not the Bible as you intended?

Mr. HOFFER. At that time there was a question mark. I might go back to Thursday previous when I was with Mr. Cates. He said to me at that time, as I recall to the best of my knowledge, that they could not guarantee that if I appeared on the program on Tuesday night, August 9, the category of baseball would be there. Then, I asked would the category "Bible" be there. At that time he could not assure me that either baseball or the Bible would be on the board.

So, as I recall, I said, "Well, what do I do if I am on the program and baseball or Bible don't appear on the board?" As I recall, he said I would have to choose another category.

Mr. LISHMAN. Now, is it a fact that you had a conversation with Mr. Levine about the category and that Mr. Levine told you that the baseball category would be more in keeping with the season since baseball was then being played?

Mr. HOFFER. After our first trip to New York on Tuesday, August 2, we returned home that night and I went back into the store the following Wednesday. As I recall it was sometime during the afternoon that Mr. Levine came to my department and asked me what I thought about baseball as a subject. At that time I told him that I was no authority or expert on the subject of baseball.

Mr. LISHMAN. As I understood the preceding testimony, and correct me if I am wrong, you have stated that Mr. Hess told you first that you would go up to the \$64,000 question and then lose; is that correct?

Mr. HOFFER. That was his statement to me in the telephone call to my home.

Mr. LISHMAN. Did Mr. Hess then tell you that in any event you would get the equivalent of the consolation prize of a Cadillac, and to that, when you were asked by Mr. Hess as to what would amount to, you answered \$4,000; is that correct?

Mr. HOFFER. That is correct. It was my understanding——

Mr. LISHMAN. Did Mr. Hess ever give you that \$4,000?

Mr. HOFFER. No, sir; he did not.

Mr. LISHMAN. Did he give you the Cadillac?

Mr. HOFFER. No, sir; he did not.

Mr. LISHMAN. Did you ever ask him to live up to what you thought was your understanding with him?

Mr. HOFFER. I mentioned it to him casually one morning late in the fall of the year 1956.

Mr. LISHMAN. Was that shortly before you were fired?

Mr. HOFFER. That is correct.

Mr. LISHMAN. What did Mr. Hess tell you?

Mr. HOFFER. It was during our fall-Christmas season and at that time in retail business things are very hectic. I was in the store early one morning and Mr. Hess came in and he was alone and I very casually mentioned—I was not happy with the salary I was now making.

I mentioned to Mr. Hess the telephone call that morning at the house. He said nothing in response to my question but he did say at the time, that in looking over the department that I was a buyer of certain items that we were discounting and that were drawing a lot of traffic into the store and because of that he would give me a \$10 a week raise.

Mr. LISHMAN. But he didn't give you the \$4,000?

Mr. HOFFER. No, sir; he did not.

Mr. LISHMAN. He gave you the raise?

Mr. HOFFER. \$10 a week.

Mr. LISHMAN. How long did that raise last?

Mr. HOFFER. Until I was dismissed.

Mr. LISHMAN. When were you dismissed?

Mr. HOFFER. Christmas Eve, December 24, 1956.

Mr. LISHMAN. What alleged reason was given for dismissing you on Christmas Eve by Mr. Hess?

Mr. HOFFER. At this point I have to empty my soul, so to speak.

Mr. LISHMAN. Well, empty it.

Mr. HOFFER. Mr. Hess, the following week when he dismissed me, over the telephone when I tried to talk him into reversing his decision, he implied that I was a crook. This is what happened:

The day before Christmas—and you have to appreciate, if I may expound here a minute, what goes on in a retail store the day before Christmas—especially in the men's furnishing department where there are a lot of last-minute gift items and girls buy for their husbands and their boy friends. I was at the rear of my department that day selling Buxton wallets. There was the popular price line, \$5.

That day I must have sold \$200 to \$300 worth of \$5 wallets. Many of the customers that come to Hess Bros. are charge customers and many of those sales were written on charge accounts.

Therefore, I had to write the numerical figure \$5 over time and time again.

That afternoon I was interested in purchasing for myself some Christmas lights for a Christmas tree. I believe they were located on the fourth floor. I went to that department and I wanted to buy some Christmas lights.

The department was overcrowded with people because many of the items were reduced in price for clearance the day before Christmas.

The department manager whose name I do not recall, said to me when I asked him to wait on me, that he was very busy, that I should help myself. Knowing that it was against store policy to write a sales ticket to my own account, by myself, I proceeded to write the sales check in one of the sales clerk's books.

As I recall, the number 5 was going through my mind time and time again because of the tremendous amount of sales I made at that price. I don't recall whether I purchased two or three sets of lights.

However, I wrote on the sales check two times \$5 or three times \$5 and the correct price of the lights were \$8.

So there was a numerical mistake of a few dollars. I was still under the impression that I had paid \$5 for the lights.

After the slip was run through a charge machine, I took the merchandise to a wrapping desk. It was a store policy that all merchandise had to be checked before you could take it out of the store.

On my way down the escalator I ran across Mr. Edward Carroll, who was sales promotional manager of Hess Bros. at that time and Mr. Carroll said, "Did you get the lights upstairs?" I said, "Yes, sir; I did."

He said, "How much did you pay for them?"

I said, "I paid \$5 a set for them." That is all I said.

Mr. LISHMAN. Can we cut this a little short. Was it this incident that led to your dismissal?

Mr. HOFFER. This was the incident that led to my dismissal.

I would like to say just a few further points.

I then took the lights to the checking room and they were checked out and they were wrapped and I took them down to my department and I put them behind the counter until I was ready to go home.

It was about an hour after that that I received a telephone call to my department from Mr. Schaffer, who was employed in that section of Hess Bros., and he said, "Ken I have a sales slip here and you made a mistake. You paid \$5 for some light that you should have paid \$8 for."

I said, "Gee, Mr. Schaffer, I am sorry; it was purely an unintentional mistake."

He said to me, "Shall I change it?"

I said, "Yes, sir, I would appreciate if you would."

It is on my charge account, anybody can see the slip. So he said he would.

That was the last I heard until about 5 minutes before closing time I was called to Mr. Greiser's office, who I think was the store manager. With Mr. Greiser was a Mr. Sigler.

The CHAIRMAN. Mr. Hoffer, what does this all have to do with what we are interested in. I want you to empty your soul, but there is a limit.

Mr. HOFFER. Mr. Greiser implied that I intentionally wrote the sales slip for I think \$2 or \$3 less per set of lights than they were actually retailed at. But the items had no tickets.

The CHAIRMAN. Even so, that has no point here. The point is that you were dismissed.

Mr. HOFFER. That is correct, because of that.

The CHAIRMAN. That is enough.

Mr. LISHMAN. I have no further questions.

The CHAIRMAN. Mr. Moss.

Mr. Moss. I think I would like to have just a couple of points clarified.

When you went on the program finally—

Mr. HOFFER. Yes, sir—

Mr. Moss. You were told that your category would be baseball?

Mr. HOFFER. It might be baseball. I was not guaranteed that would be the category that would be on the board when I got on the program.

Mr. Moss. You had to select the category from the board?

Mr. HOFFER. That is correct, sir.

Mr. Moss. Were you instructed to select baseball?

Mr. HOFFER. No, sir; I was not.

Mr. Moss. What were you instructed to select?

Mr. HOFFER. As I said, when I was with Mr. Cates that afternoon he implied that baseball, which was a category they wanted me to select, might not appear on the board for some reason he never gave me, plus the fact Bible would not appear there.

I remember the afternoon of the day of the program I was in the hotel.

Mr. Moss. Were you told that you would only be on one program, then?

Mr. HOFFER. No, sir; I was not.

Mr. Moss. You were just called down there and you were not screened?

Mr. HOFFER. No, sir; I was not screened.

Mr. Moss. No attempt was made to determine whether you were expert in any field?

Mr. HOFFER. That is correct.

Mr. Moss. You responded to the suggestion that you choose baseball when you looked up at the board?

Mr. HOFFER. That is correct, I recall that afternoon——

Mr. Moss. That is all I want to know.

The CHAIRMAN. The point is you did work for Hess Bros.?

Mr. HOFFER. That is correct.

The CHAIRMAN. You worked for Hess Bros. and you made an application and you got on the show?

Mr. HOFFER. I appeared on the show; that is correct.

The CHAIRMAN. Yes; that is right. You appeared on the show while you were working for Hess Bros.?

Mr. HOFFER. That is correct, sir.

The CHAIRMAN. And then it was after you appeared on the show that you no longer worked for Hess Bros.?

Mr. HOFFER. That is correct, sir.

The CHAIRMAN. That is enough. Thank you very much for your appearance.

Mr. HOFFER. Thank you, sir.

The CHAIRMAN. Mr. David Gottlieb.

Will you be sworn, please. Do you solemnly swear that the testimony you give to the subcommittee to be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. GOTTLIEB. I do.

The CHAIRMAN. Have a seat, please. Give your name.

TESTIMONY OF DAVID GOTTLIEB

Mr. GOTTLIEB. My name is David Gottlieb.

The CHAIRMAN. Give your address.

Mr. GOTTLIEB. My address is 2602 Greenleaf Street in Allentown, Pa.

The CHAIRMAN. And your profession or occupation?

Mr. GOTTLIEB. I am in the furniture business, sir.

The CHAIRMAN. Mr. Lishman, you may proceed.

Mr. LISHMAN. Mr. Gottlieb, in August 1955 where were you employed?

Mr. GOTTLIEB. I was employed in August 1955 at Hess Bros., in Allentown, Pa., sir.

Mr. LISHMAN. Is this the same Hess Bros. Department Store that has been testified to by the preceding witness?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. In August 1955, in the early part, were you instructed by Mr. Max Hess to go to New York City with a Mr. Levine and Kenneth Hoffer?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. Who was Mr. Max Hess?

Mr. GOTTLIEB. Mr. Hess is the president of Hess Bros. in Allentown, sir.

Mr. LISHMAN. Who is Mr. Levine?

Mr. GOTTLIEB. Mr. Levine was at that time, and I believe still is, the publicity or public relations director of the store.

Mr. LISHMAN. Did Mr. Hess tell you why he was instructing you to go to New York City?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. Please state what his instructions were to you.

Mr. GOTTLIEB. The specific instructions and the intent of our trip to New York City was that I was to assist Mr. Levine in any way that I could in an effort to have Mr. Hoffer appear as a contestant on the program known as the "\$64,000 Question."

Mr. LISHMAN. Did you drive in Mr. Hess' car to New York City?

Mr. GOTTLIEB. My recollection of whose car we went in is not too clear, Mr. Lishman.

Mr. LISHMAN. Where did you go when you first reached New York City on this trip?

Mr. GOTTLIEB. We parked in midtown and the first stop, I believe we stopped for lunch at a hotel in midtown, and we proceeded from there to an office on either Park Avenue or Madison Avenue, I can't recall which, in which we met a woman named Gertrude Bayne.

Mr. LISHMAN. Who was she?

Mr. GOTTLIEB. To the best of my knowledge, Miss or Mrs. Bayne is in the public relations business in New York City, or was at that time at any rate.

Mr. LISHMAN. Who told you to go there?

Mr. GOTTLIEB. Mr. Levine took us; that is, took Hoffer and myself to Miss Bayne's office.

Mr. LISHMAN. What happened there?

Mr. GOTTLIEB. There was considerable conversation relative to the possibilities of placing Mr. Hoffer as a contestant on the program, the "\$64,000 Question," between Mr. Levine and Miss Bayne, and then subsequent conversation into which I entered on the same subject.

Mr. LISHMAN. What happened after the meeting with Mrs. Bayne?

Mr. GOTTLIEB. At some point during the course of the period that we were there a telephone call was made to an office, I presume—it was in New York City.

Mr. LISHMAN. Who made this telephone call?

Mr. GOTTLIEB. Miss Bayne, sir.

Mr. LISHMAN. Yes.

Mr. GOTTLIEB. At that time I understood that a tentative appointment had been set up for Mr. Hoffer to be interviewed by some person at the Cowan productions office on the following day.

The CHAIRMAN. At what office?

Mr. GOTTLIEB. Louis Cowan Productions, I think it was called first.

Mr. LISHMAN. At that time the "\$64,000 Question" was being produced by Louis Cowan?

Mr. GOTTLIEB. To the best of my knowledge; yes. It was the same office.

Mr. LISHMAN. Do you know who she called in the office of the producer?

Mr. GOTTLIEB. No; I don't, sir.

Mr. LISHMAN. Did you subsequently take Mr. Hoffer to meet a Mr. Elroy Schwartz?

Mr. GOTTLIEB. That was not the same day.

Mr. LISHMAN. What happened on this day?

Mr. GOTTLIEB. On this same day after we finished at Miss Bayne's office, we then went to the office of a Mr. Burt Nevins, who was also in the public relations field, and was at that time, and I imagine still is doing some work for Mr. Hess in that field. There was additional conversation there which I was not privy to because it was principally between Mr. Levine and Mr. Nevins, and not in my hearing, and I don't know what it was exactly.

Mr. LISHMAN. On this first trip in New York were you prepared to make a payment of money to anyone?

Mr. GOTTLIEB. Money had been discussed, of course, prior to that time.

Mr. LISHMAN. Who had discussed money prior to that time?

Mr. GOTTLIEB. Mr. Levine and I and Miss Bayne and Mr. Hess—not in that sequence—there had been a discussion of money being paid.

Mr. LISHMAN. Please state the substance of that discussion.

Mr. GOTTLIEB. I must go back then, Mr. Lishman. I received a phone call the previous evening, that is the evening previous to going into New York, from Mr. Hess, at which time he requested me to come up to his home. He explained to me that Mr. Hoffer was then a candidate for appearance on the program, the "\$64,000 Question," and that it would be very much in the best interests of the store for him to appear since it would be an excellent commercial plug. I was given to understand that this was a reasonably normal procedure, and that some sort of fee would have to be paid for that appearance. This is the discussion of the money you referred to.

The CHAIRMAN. How did you get that understanding?

Mr. GOTTLIEB. I was told so, sir.

The CHAIRMAN. By whom?

Mr. GOTTLIEB. By Mr. Hess and Mr. Levine.

Mr. LISHMAN. Did you subsequently make another trip to New York?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. Who went with you on the second trip to New York from Allentown?

Mr. GOTTLIEB. On the day following the visit to Miss Bayne's office, I drove Mr. Hoffer to New York and we went during the course of the afternoon to the office of Louis Cowan Production. At that time Mr. Hoffer was interviewed by a Mr. Elroy Schwartz.

Mr. LISHMAN. What was his function with the producers?

Mr. GOTTLIEB. As I understood it, sir, it was his duty to do the original interviewing and screening of applicants who had gotten to that point in the proceeding.

Mr. LISHMAN. Yes.

Mr. GOTTLIEB. After Mr. Hoffer had been interviewed by Mr. Schwartz, I spoke to Mr. Schwartz in a private office of some sort, and told him that I was representing Mr. Hess in the matter and

that it was our desire to see to it that Mr. Hoffer appeared as a contestant on the program. I also told him at that time that we were prepared to make an offer of a fee which I had been instructed to do, and I did so.

Mr. LISHMAN. What was that offer?

Mr. GOTTLIEB. To the best of my recollection it was the sum of money perhaps between a thousand and \$2,000. I can't remember exactly how much money it was.

Mr. LISHMAN. What did Mr. Schwartz say to that offer?

Mr. GOTTLIEB. Well, very briefly that it was not an adequate amount for the service which I had been requested to ask him to perform.

The CHAIRMAN. What was the amount?

Mr. GOTTLIEB. It was somewhere between a thousand and \$2,000. I don't remember the exact amount.

Mr. LISHMAN. What did you do after you received this advice from Mr. Schwartz?

Mr. GOTTLIEB. I believe I told Mr. Schwartz that I was in no position to negotiate the matter any further. I would have to discuss it with Mr. Hess and see whether there was any additional money that could be paid or what sort of a reaction I would get. However, I am sure that I told him that we were most anxious to have Mr. Hoffer appear on the program.

Mr. LISHMAN. Am I correct in understanding your testimony that when you first met Mr. Elroy Schwartz who was screening contestants for the "\$64,000 Question" that you discussed with him the amount of money that he would require in order to see to it that Hoffer was put on the program?

Mr. GOTTLIEB. That is substantially correct; yes, sir.

Mr. LISHMAN. Did you also discuss with him whether the payment would have to be made by check or in cash?

Mr. GOTTLIEB. We discussed the confidentiality that would be required in such a transaction, and I assured him that the payment would be made in cash.

Mr. LISHMAN. You assured him the payment would be made in cash?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. On what basis were you able to give him that assurance?

Mr. GOTTLIEB. I had cash in my pocket which I was prepared to offer him should he be willing to accept the smaller offer.

Mr. LISHMAN. Where did you get that cash?

Mr. GOTTLIEB. That had been given to me by Mr. Hess.

Mr. LISHMAN. Before you had gone to New York?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. Then having learned from Mr. Schwartz that the amount of cash you then had on your person was not enough to put this deal over, what did you do?

Mr. GOTTLIEB. I reported back to my employer the nature of the conversation I had with Mr. Schwartz.

The CHAIRMAN. Is that Mr. Hess?

Mr. GOTTLIEB. Yes, sir. Subsequently to that a telephone call was made to New York.

Mr. LISHMAN. By whom?

Mr. GOTTLIEB. By Mr. Hess, at which time a sum of \$10,000 was discussed.

Mr. LISHMAN. Was that in your presence?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. Do you know who Mr. Hess talked to?

Mr. GOTTLIEB. I can only assume it was to Mr. Schwartz.

The CHAIRMAN. No.

Mr. GOTTLIEB. Then I can't. I am sorry.

The CHAIRMAN. Tell what you know.

Mr. GOTTLIEB. To the best of my knowledge that is who is would have to be because the matter was discussed relative to the discussion that I had with this person the day before.

The CHAIRMAN. If you know it from your own knowledge from the experience and a subsequent connection, then you can so state.

Mr. GOTTLIEB. Then it was with Mr. Schwartz.

Mr. LISHMAN. What was the substance of that conversation that you had heard between Mr. Hess and whoever was on the end of the wire in New York?

Mr. GOTTLIEB. To the best of my recollection the substance of the conversation was that it was the desire of Mr. Hess to have this man appear—Hoffer appear—as a contestant on the program and that a fee of \$10,000 would be forthcoming if that purpose was accomplished.

Mr. LISHMAN. Was the fee mentioned in cash?

Mr. GOTTLIEB. I don't recall whether it was specifically or not, Mr. Lishman.

Mr. LISHMAN. Then what did Mr. Hess tell you after that telephone conversation ended.

Mr. GOTTLIEB. Also, in the course of that conversation it was agreed that I would return to New York the following day and discuss the matter personally with Mr. Schwartz so that a definite understanding could be arrived at so that the matter could be consummated.

Mr. LISHMAN. Under instructions from Mr. Hess, did you then go back to New York?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. And meet with Mr. Elroy Schwartz?

Mr. GOTTLIEB. Yes, sir, I did. I had lunch with Mr. Schwartz and a Mr. Cates at Rubin's Restaurant in New York City.

Mr. LISHMAN. What did you discuss at that luncheon?

Mr. GOTTLIEB. The fact of the previous day's telephone call and also that it was very much of a desire to have this accomplished, to have this young man appear on the program.

Mr. LISHMAN. At that time did you have the \$10,000 with you?

Mr. GOTTLIEB. No, sir.

Mr. LISHMAN. Then what happened after this meeting at lunch?

Mr. GOTTLIEB. After the meeting at lunch, the arrangements were consummated as far as I was then concerned, for Hoffer to appear on the program. I do not remember the mechanical details relative to his going back to New York, although I am—

Mr. LISHMAN. I am interested in you, Mr. Gottlieb, and how the \$10,000 got into the picture.

Mr. GOTTLIEB. I am trying to place that for you, sir. On the following Tuesday I returned to New York with Mr. Hoffer some time during the course of the forenoon. When we got there, we checked

in I believe at the Roosevelt Hotel, and I think called Mr. Schwartz and arranged to meet him at the Old Lindy's Restaurant which I think is on Broadway across the street from the new one, and finalize the details of the matter. To the best of my recollection at that time I paid him half of the fee of \$5,000.

Mr. LISHMAN. At that time you had in your possession \$5,000?

Mr. GOTTLIEB. Yes, I did, sir.

Mr. LISHMAN. Who gave you that \$5,000?

Mr. GOTTLIEB. Mr. Hess had given me the \$5,000.

Mr. LISHMAN. Did he give you \$10,000 at once or did he give you \$5,000 on two occasions?

Mr. GOTTLIEB. No, it was \$5,000 on two occasions.

Mr. LISHMAN. \$5,000 on two occasions?

Mr. GOTTLIEB. To the best of my recollection it was; yes, sir.

Mr. LISHMAN. What was the approximate date of the first occasion, at which time Mr. Hess gave you the \$5,000 in cash?

Mr. GOTTLIEB. That would have been the Tuesday on which Mr. Hoffer appeared on the program.

Mr. LISHMAN. On that same day, did you actually pay over to Mr. Elroy Schwartz \$5,000 in cash?

Mr. GOTTLIEB. Yes, I did, sir.

Mr. LISHMAN. This was the \$5,000 you had received from Mr. Hess for the purpose of getting Hoffer on the show?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. Where did you make this payment to Mr. Schwartz?

Mr. GOTTLIEB. I said, sir, that I had called him on the telephone and at his suggestion met him at this, I am sure the Old Lindy's Restaurant. Yes, sir.

Mr. LISHMAN. That is where you paid him?

Mr. GOTTLIEB. Yes, sir.

Mr. LISHMAN. You mentioned a second \$5,000 payment. Under what circumstances did you receive the second \$5,000?

Mr. GOTTLIEB. Subsequent to Mr. Hoffer's appearing on the program, it was either 2 or 3 days later, I was given an additional \$5,000.

Mr. LISHMAN. By whom?

Mr. GOTTLIEB. By Mr. Hess, sir.

Mr. LISHMAN. Yes, sir. In Allentown?

Mr. GOTTLIEB. In Allentown.

The CHAIRMAN. In cash?

Mr. GOTTLIEB. Yes, sir. I took that money and again went to New York City, having first telephoned Mr. Schwartz from Allentown and arranged this time—I met him—the street address in New York is very hazy but it is across the street from Hurley's restaurant which is across from Radio City—and handed him again an envelope which had \$5,000 in cash in it.

Mr. LISHMAN. Do you know who arranged the meeting between you and Mr. Schwartz at which these payments were made?

Mr. GOTTLIEB. Who arranged the meeting between myself and Mr. Schwartz at which the payments were made?

Mr. LISHMAN. Yes.

Mr. GOTTLIEB. The meetings between myself and Mr. Schwartz, the first meeting relative to the payments was arranged by telephone from Allentown.

Mr. LISHMAN. By whom was it made? Do you know?

Mr. GOTTLIEB. I made the arrangements but in the presence of Mr. Levine and/or Mr. Hess. I don't recall whether they were one or both there at the time.

Mr. LISHMAN. With respect to your second meeting—

Mr. GOTTLIEB. It was handled in the same fashion. They were both handled in the same fashion.

Mr. LISHMAN. You no longer work for the Hess Department Store?

Mr. GOTTLIEB. No, sir. I have not been there for 18 months approximately.

Mr. LISHMAN. I have no further questions.

The CHAIRMAN. Was Mr. Schwartz an employee of the production company?

Mr. GOTTLIEB. Yes, sir.

The CHAIRMAN. What production company?

Mr. GOTTLIEB. Lewis Cowan Productions.

The CHAIRMAN. Do you know what his job was with Lewis Cowan Production Co.?

Mr. GOTTLIEB. Sir, it was my understanding that he was responsible for a certain portion of scriptwriting and also prescreening of prospective candidates to ascertain their desirability for the program.

The CHAIRMAN. On the "\$64,000" show?

Mr. GOTTLIEB. Yes, sir, the "\$64,000 Question."

The CHAIRMAN. The "Question"?

Mr. GOTTLIEB. Yes, sir.

The CHAIRMAN. I assume from what you said that was in an office across from Radio City?

Mr. GOTTLIEB. No, sir. I don't recall the exact address of Lewis Cowan's office. I remember—

The CHAIRMAN. Was it in Mr. Cowan's office?

Mr. GOTTLIEB. It was an office which had on its door, "Lewis Cowan Productions."

The CHAIRMAN. You were in Mr. Schwartz's office?

Mr. GOTTLIEB. His office was in that suite of offices which seemed to be in Lewis Cowan's place of business.

The CHAIRMAN. Was that production office 575 Madison Avenue?

Mr. GOTTLIEB. It is entirely possible, sir. I honestly don't remember.

The CHAIRMAN. It was in that office.

Mr. GOTTLIEB. It was in Lewis Cowan's office. That I am sure of.

Mr. BENNETT. Mr. Gottlieb, why were you paying Mr. Schwartz in cash, do you know?

Mr. GOTTLIEB. I was following instructions which had been given, sir.

Mr. BENNETT. From Mr. Hess?

Mr. GOTTLIEB. Yes, sir. That was the form in which the funds were given to me and that was the form in which I turned the funds over to Mr. Schwartz.

Mr. BENNETT. Did you think that was a strange way to pay \$5,000?

Mr. GOTTLIEB. I don't think it—

Mr. BENNETT. Did you get a receipt for the money?

Mr. GOTTLIEB. No, sir, I did not.

Mr. BENNETT. You did not get a receipt?

Mr. GOTTLIEB. No, sir.

Mr. BENNETT. How did Mr. Hess know you paid money? Did he take your word for it?

Mr. GOTTLIEB. Yes, sir; certainly.

Mr. BENNETT. Have you seen Mr. Schwartz since?

Mr. GOTTLIEB. No, sir.

Mr. BENNETT. Would you know him if you saw him?

Mr. GOTTLIEB. I believe I could adequately describe him.

Mr. BENNETT. What kind of looking individual was he?

Do we have Mr. Schwartz here?

Mr. LISHMAN. No, he is in California.

Mr. BENNETT. You did not get a receipt for your money?

Mr. GOTTLIEB. No, sir, I did not.

Mr. BENNETT. You did not ask him any questions. You just gave him the \$5,000 in cash and walked out.

Mr. GOTTLIEB. Mr. Bennett, I had been aware of the arrangement made between him and Mr. Hess as I previously explained, since I listened to the telephone call upon which the sum of money was agreed upon. And I had also discussed the money with Mr. Schwartz previous to this time.

Mr. BENNETT. I am not questioning your honesty.

Mr. GOTTLIEB. I am sure you are not, sir.

Mr. BENNETT. This seems to be a very strange and unusual way to handle a situation of this kind, particularly in paying the money out in cash and getting no receipt for it.

Did you get anything in writing from Schwartz?

Mr. GOTTLIEB. No, sir.

Mr. BENNETT. You paid him this first \$5,000 before Hoffer went on the program?

Mr. GOTTLIEB. Yes, sir; as I recall, I did.

Mr. BENNETT. Was anything said about how long he would stay on the program?

Mr. GOTTLIEB. There may have been some discussion but I don't recall any of the details of that, Mr. Bennett; no, sir.

Mr. BENNETT. Did you expect him to stay on for longer than \$250 worth?

Mr. GOTTLIEB. I really didn't know, Mr. Bennett, whether he would be able to or not.

Mr. BENNETT. Did you ask Mr. Schwartz who was ultimately going to get this money? Whether he was going to keep it or whether he was going to give it to somebody else?

Mr. GOTTLIEB. I had understood that there would be some division of the money between himself and other people.

Mr. BENNETT. Did Mr. Schwartz tell you that?

Mr. GOTTLIEB. That was the inference I gathered from the conversation that I had with him; yes, sir.

Mr. BENNETT. Then he was expecting you to come back with another \$5,000 after Mr. Hoffer appeared on the program?

Mr. GOTTLIEB. Yes, sir.

Mr. BENNETT. And 2 days later you went back with the other \$5,000?

Mr. GOTTLIEB. Yes, sir.

Mr. BENNETT. Did you get a receipt for it?

Mr. GOTTLIEB. No, sir.

Mr. BENNETT. Did you get anything in writing from Mr. Schwartz?

Mr. GOTTLIEB. No, sir.

Mr. BENNETT. Did you not think this was a peculiar arrangement, a strange way to run a railroad?

Mr. GOTTLIEB. Well, perhaps, but I had been instructed to handle it in this fashion by people who were certainly more conversant with the matter than I was at the time, Mr. Bennett, and I followed those instructions.

Mr. BENNETT. You went back to Allentown after Hoffer was on the program?

Mr. GOTTLIEB. We went back the following morning, Mr. Bennett.

Mr. BENNETT. Were you with him the night of the show?

Mr. GOTTLIEB. I accompanied him to the studio and we were met by Mr. Schwartz at the stage door or whatever, and I sat in the audience while he was on the program; yes, sir.

Mr. BENNETT. What did Schwartz say after your man missed?

Mr. GOTTLIEB. I didn't see him afterward.

Mr. BENNETT. What did Hess say when you got back home?

Mr. GOTTLIEB. He seemed pleased that the plug had gotten on as scheduled.

Mr. BENNETT. He was not disappointed?

Mr. GOTTLIEB. I really don't know, Mr. Bennett.

Mr. BENNETT. Did he seem to think he got his money's worth?

Mr. GOTTLIEB. I would imagine so.

Mr. BENNETT. Is that the end of the story?

Mr. GOTTLIEB. As far as I am concerned, that is the whole story.

Mr. BENNETT. That is all.

The CHAIRMAN. Mr. Rogers?

Mr. ROGERS. Mr. Gottlieb, I understand you gave \$5,000 before he got on the show and \$5,000 after he got off.

Mr. GOTTLIEB. Yes, Mr. Rogers, that is so.

Mr. ROGERS. Mr. Gottlieb, how was that carried up there? What denominations were the bills?

Mr. GOTTLIEB. Fifty and one-hundred-dollar bills, as I recall.

Mr. ROGERS. And you carried them in your pocket or in your wallet?

Mr. GOTTLIEB. I had them in an envelope and in an inside pocket of my jacket.

Mr. ROGERS. Were you nervous about carrying that money?

Mr. GOTTLIEB. Yes, sir. I was at the time.

Mr. ROGERS. Did Mr. Schwartz count it when you gave it to him?

Mr. GOTTLIEB. I don't recall, Mr. Rogers. I think he did the first time. I don't recall whether he did the second time.

Mr. ROGERS. He just took the envelope and put it in his pocket?

Mr. GOTTLIEB. I am quite sure he did that the second time. The first time he did count it.

Mr. ROGERS. Was anyone else present?

Mr. GOTTLIEB. No, sir.

Mr. ROGERS. What time of the day was it?

Mr. GOTTLIEB. The first time it must have been sometime in the afternoon because I remember we had some lunch. The second time was probably in the early afternoon. I don't recall exactly. It was

during the daytime. It was not at night if that is what you were driving at.

Mr. ROGERS. What fee did you get for being messenger?

Mr. GOTTLIEB. Unfortunately, I didn't get anything.

Mr. ROGERS. You did not get a commission for delivering the money?

Mr. GOTTLIEB. No, sir.

Mr. ROGERS. That is all.

Mr. DEVINE. Mr. Gottlieb, prior to this incident in New York, how long had you been employed by Hess Bros.?

Mr. GOTTLIEB. About 5 years.

Mr. DEVINE. You were a long-time trusted employee; is that right?

Mr. GOTTLIEB. I believe I was.

Mr. DEVINE. Are you still employed by Hess Bros.?

Mr. GOTTLIEB. No; I am not, sir.

Mr. DEVINE. When did you terminate your relationship?

Mr. GOTTLIEB. May of 1958, Mr. Devine.

Mr. DEVINE. Did you understand that this whole affair was a payoff for some type of services rendered?

Mr. GOTTLIEB. Well, the objective was to get the name mentioned on television, and this was accomplished, and, therefore, money was paid for something that was accomplished; yes, sir.

Mr. DEVINE. Would you call it an on-top-of-the-table aboveboard proposition?

Mr. GOTTLIEB. Well, that is a loaded question. From the point of view of Mr. Hess and Mr. Levine and myself, and Mr. Schwartz being aware that this transaction was going on, certainly nobody was kidding anybody else why the money was being paid off. That is for darned sure.

Mr. DEVINE. It was an indirect approach, was it not? You did not go directly to the sponsors of "\$64,000" show and offer them money to put the man on the program?

Mr. GOTTLIEB. No, sir.

Mr. DEVINE. Was it your understanding or Mr. Hess', if you know, that Mr. Hoffer was to mention Hess Bros. several times during the course of his appearance?

Mr. GOTTLIEB. That was the reason that he was placed on the program; yes, sir.

Mr. DEVINE. That is what you were paying the cash money for; is that right?

Mr. GOTTLIEB. Yes, sir.

Mr. DEVINE. He did mention Hess Bros., I think, twice during his appearance?

Mr. GOTTLIEB. Yes, sir.

Mr. DEVINE. Was there any limit on the number of times he was supposed to mention it?

Mr. GOTTLIEB. Not that I was then aware of, Mr. Devine.

Mr. DEVINE. Your severing your relationship with Hess Bros., did that have anything to do with this particular transaction?

Mr. GOTTLIEB. No, sir.

Mr. DEVINE. Did you leave voluntarily?

Mr. GOTTLIEB. Yes, sir; I resigned.

Mr. DEVINE. You were not invited to leave?

Mr. GOTTLIEB. No, sir.

Mr. DEVINE. I believe that is all, Mr. Chairman.

The CHAIRMAN. Mr. Flynt?

Mr. FLYNT. No questions.

The CHAIRMAN. Did you understand that the money was to be paid in cash in amounts of \$5,000 each time for Mr. Hoffer to be included as a contestant on the "\$64,000 Question"?

Mr. GOTTLIEB. Yes, sir.

The CHAIRMAN. Was that the purpose of it?

Mr. GOTTLIEB. Yes, sir.

The CHAIRMAN. Was there any discussion about why you didn't send a check instead of cash in that amount?

Mr. GOTTLIEB. No, sir.

The CHAIRMAN. Where did the money come from? I mean by that, Mr. Hess gave you the money in two different denominations, that is, \$5,000 each twice.

Mr. GOTTLIEB. Yes, sir.

The CHAIRMAN. Where did he get the cash from?

Mr. GOTTLIEB. I would have no knowledge of that.

The CHAIRMAN. Did he give it to you at the office or at his home?

Mr. GOTTLIEB. No, at the store, sir.

The CHAIRMAN. At the store?

Mr. GOTTLIEB. Yes, sir.

The CHAIRMAN. It was delivered to you by Mr. Hess at the Hess store?

Mr. GOTTLIEB. Yes, sir.

The CHAIRMAN. Do you know what became of the money?

Mr. GOTTLIEB. After I gave it to Mr. Schwartz?

The CHAIRMAN. Yes.

Mr. GOTTLIEB. No, sir.

The CHAIRMAN. You do not know who got it?

Mr. GOTTLIEB. No, sir. Not to my knowledge.

The CHAIRMAN. Whether Mr. Schwartz kept it or whether it went to somebody else?

Mr. GOTTLIEB. I have no idea, Mr. Harris.

The CHAIRMAN. I assume this was part of your regular employment?

Mr. GOTTLIEB. No, sir. I was a furniture buyer in the store at that time. This was quite a bit out of my bailiwick.

The CHAIRMAN. Did you get a bonus for it?

Mr. GOTTLIEB. No, sir.

The CHAIRMAN. It is very highly commendable that an employee would have the confidence of the manager of a large store of this kind. Certainly, that is in your favor as an employee which should be of some assistance to you whatever vocation you might be pursuing now.

Is there anything further?

Thank you very much for your appearance here.

Mr. GOTTLIEB. You are very welcome, sir. Thank you.

The CHAIRMAN. Mr. Max Hess. Will you be sworn, please.

Do you solemnly swear that the testimony you give to this sub-committee to be the truth, the whole truth, and nothing but the truth?

Mr. HESS. I do, sir.

TESTIMONY OF MAX HESS, ACCCOMPANIED BY HIS COUNSEL, ALAN COLE, AND J. HOWARD McGRATH

The CHAIRMAN. Will you state your full name for the record, please?

Mr. HESS. Max Hess.

The CHAIRMAN. What is your address, Mr. Hess?

Mr. HESS. 2643 Livingston Street, Allentown, Pa.

The CHAIRMAN. What is your business or occupation?

Mr. HESS. Department store owner.

The CHAIRMAN. Mr. Hess, I observe that you have your counsel accompanying you. The rules of the House provide for it, and I think, since I am sure you understand the provisions of the rule that your counsel should be identified for the record.

Mr. COLE. My name is Alan Cole, attorney at law, Washington, D.C. I am here representing Mr. Hess. In addition to myself, Mr. J. Howard McGrath is also here and is acting as counsel for Mr. Hess.

The CHAIRMAN. Mr. McGrath, would you care to come around?

Mr. McGRATH. I don't think it is necessary, thank you.

The CHAIRMAN. I also observe, Mr. Hess, that you have a statement.

Mr. HESS. Yes, sir.

The CHAIRMAN. Do you desire to read your statement at the outset?

Mr. HESS. I would like to.

The CHAIRMAN. I think you should have that privilege and you may proceed if you like.

Mr. HESS. Thank you.

My name is Max Hess. I live in Allentown, Pa., and I am president of Hess' department store of that city. Hess' department store is a company that was established 62 years ago by my father and my uncle, and I am the remaining sole member of my family in complete ownership of the business. I have spent my life in this business and have been concerned with no other.

Hess' is a complete department store employing approximately 1,200 people and, as its executive officer, my time is completely occupied with the major problems of running this type of business. We have for a long time enjoyed a reputation in the department store business and in business generally of being dedicated to the value of advertising and publicity of all kinds in the promotion of business and I, personally, from my own experience have become convinced of its extreme value in the business of merchandising. To this end I am the author of a book "Every Dollar Counts." Some members of this committee may recall the Hess name through acquaintanceship with the institutional advertising that I have from time to time placed in newspapers around the United States for the dual purpose of promoting business and putting forth the Hess name and the city of Allentown. Because of this consciousness of the value of advertising and publicity, I am constantly seeking ways and means of putting before the public, both in the Allentown area and in the eastern market generally, the name of our company.

I have recited these facts because I would like this committee to have a little background about myself so that it might understand why I would be susceptible, or, as you may feel on the basis of what this committee has developed, vulnerable to an idea that would get

the Hess name and its business interests before the whole American people through what was then the most talked about and exciting program on American television, "the "\$64,000 Question."

Our store, Hess' of Allentown, Pa., had a young, bright, ambitious and intelligent coworker by the name of Kenneth Hoffer, who was employed in our company as a buyer of men's accessories, and whom I regarded at that time as a young man of intellectual attainment. Mr. Hoffer told me of his previous efforts to compete in a national quiz program and sought my help, if this were possible, through whatever contacts our company had with public relations people. Incidentally, we have on our permanent staff and on retainer many local and national public relations specialists who carry on public relations promotions in our behalf. I asked Mr. Max Levine, who heads our public relations department at Hess', to find out what, if anything, we could do to help young Hoffer. Subsequently, and I cannot say how long after, Mr. Levine reported back to me that he had been to New York to look into the matter and had had some conferences there, and further, at some subsequent time, advised me he thought the mission of getting Mr. Hoffer on the "\$64,000 Question" program could be accomplished but that it would cost \$10,000. My immediate reaction was that this amount of money would be money well spent—to have a coworker of Hess' and a young man of his intellectual attainment from the city of Allentown, appear on this national program. Accordingly, I advised Mr. Levine that it was agreeable to me to spend the money and for him to make the necessary arrangements.

I do not know what transpired in the interval, but I do know Mr. Levine subsequently reported to me that he was sending Mr. Gottlieb, another coworker, who supposedly had good radio and television connections through his family, to New York and recommended to me that I give him \$10,000 to accomplish our purpose of getting Mr. Hoffer on the "\$64,000 Question" program. I was unwilling to pay the full amount until Mr. Hoffer had succeeded in being on the program, and so I gave Mr. Gottlieb \$5,000 to take to New York. Mr. Hoffer was put on the program and I subsequently gave to Mr. Gottlieb the additional \$5,000 to complete my agreement.

At this time, to the very best of my recollection, I did not know to whom this money was to be paid through Mr. Gottlieb. I accepted as a fact that since this was a valuable piece of publicity and could be accomplished for \$10,000 it was worth that to our organization. I assumed this was the way people were getting on these shows. Since I trusted both Mr. Levine and Mr. Gottlieb, it did not occur to me to make them specify any exact individual to whom the money was to be delivered. I am satisfied Mr. Gottlieb delivered the money and accomplished the purpose of putting Mr. Hoffer on the program.

I am here and willing to answer any questions that I can before this committee that will clear up any detail that needs further explanation insofar as that knowledge may rest within my competence. I also have with me Mr. Levine who can answer any questions which you gentlemen may have concerning his part in this transaction.

I think I should add to this statement information which was brought to my attention since the statement was prepared. Namely, that \$5,000 was paid to Miss Gertrude Bayne, one of our New York public relations counselors, for her assistance in this matter. It is

my understanding that her participation was in arranging an interview for Hoffer and Gottlieb while they were in New York to meet with people connected with the "\$64,000 Question."

The CHAIRMAN. Does that conclude your statement?

Mr. HESS. Yes, sir.

The CHAIRMAN. I suppose your life has been spent in your family business, is that right?

Mr. HESS. All my life, sir; all my working life.

The CHAIRMAN. I suppose your family owns the Hess Store; is that true?

Mr. HESS. What, sir?

The CHAIRMAN. I suppose your department store is a family department store owned by the Hess family?

Mr. HESS. It was originally owned by my father and my uncle. I own it now.

The CHAIRMAN. You own it yourself?

Mr. HESS. Yes.

The CHAIRMAN. What would be your annual gross sales?

Mr. HESS. Approximately \$30 million.

The CHAIRMAN. A year?

Mr. HESS. Yes, sir.

The CHAIRMAN. \$30 million?

Mr. HESS. Yes, sir.

The CHAIRMAN. That is a pretty good store; is it not?

Mr. HESS. Yes, sir.

The CHAIRMAN. That is commendable, I can say that. That is very fine. To have a successful business like that handed down and to assume the responsibility of carrying it on. You have indicated that you have quite an organization of 1,200 employees in a store of this kind. I believe you said 1,200.

Mr. HESS. Approximately 1,200.

The CHAIRMAN. Obviously you think a great deal of advertising and publicity.

Mr. HESS. Yes, sir.

The CHAIRMAN. I assume you have experts in your organization or at least people specializing in the field of advertising.

Mr. HESS. Advertising and public relations in every field.

The CHAIRMAN. That includes newspapers, broadcasting and so forth?

Mr. HESS. Yes, sir.

The CHAIRMAN. Have you observed these quiz shows during the period of time they have been on television?

Mr. HESS. Yes, sir.

The CHAIRMAN. You came to a full realization of the value of such advertising?

Mr. HESS. Tremendous value.

The CHAIRMAN. Did you receive any information from any source that it was necessary to use the method which you described to get some one on the show that could mention your store?

Mr. HESS. I was told this is the way it was done.

The CHAIRMAN. You were told this was the way it was done?

Mr. HESS. Yes, sir.

The CHAIRMAN. Who told you that?

Mr. HESS. Mr. Levine.

The CHAIRMAN. Mr. Levine was your employee; was he not?

Mr. HESS. Yes.

The CHAIRMAN. You don't know where he received such information?

Mr. HESS. I assume it was a common practice.

The CHAIRMAN. You assumed it was common practice?

Mr. HESS. Yes, sir.

The CHAIRMAN. But you do not know whether it was or not?

Mr. HESS. Mr. Levine takes care of all that.

The CHAIRMAN. It is very interesting to us, to the subcommittee and the staff in developing this because one of the things which the subcommittee has been concerned with is what was necessary to get contestants on and whether or not there was any, shall I say, kickback or payoff to people who were in responsible positions to put persons on the show. We had an incident before this subcommittee yesterday, testimony which was made public, where a thousand dollars was paid for such. Here you come on with \$10,000.

Mr. HESS. We paid too much, then.

The CHAIRMAN. I think I will defer to Mr. Lishman.

Mr. LISHMAN. Mr. Hess, was this \$5,000 paid to Miss Gertrude Bayne, one of your New York public-relations counselors in cash or by check?

Mr. HESS. By check.

Mr. LISHMAN. Was it by check of the company or your personal check?

Mr. HESS. My check of the company.

Mr. LISHMAN. Who gave you the information that was a company check which was paid to Miss Bayne?

Mr. HESS. I think my bookkeeper.

Mr. LISHMAN. Who is he?

Mr. HESS. She. Miss Secret.

Mr. LISHMAN. Was this \$5,000 in addition to the \$10,000 that Mr. Gottlieb has testified to?

Mr. HESS. This \$5,000 was—she was also working on the Coronet magazine story.

Mr. LISHMAN. Your addendum, I will call your attention to, says this:

Namely, the \$5,000 was paid to Miss Gertrude Bayne, one of our New York public relations counselors for her assistance in this matter.

I will continue with the quote:

It is my understanding that her participation was in arranging an interview for Hoffer and Gottlieb while they were in New York to meet with people connected with the "\$64,000 Question."

Is it a fact that the \$5,000 was paid to Miss Gertrude Bayne for the purpose of assisting Mr. Hoffer to get on the "\$64,000 Question"?

Mr. HESS. I am sure Mr. Levine could elaborate on that.

Mr. LISHMAN. I am asking you. This is your statement.

Mr. HESS. Yes.

Mr. LISHMAN. So you paid \$15,000 to get Mr. Hoffer on this program; is that right?

Mr. HESS. She was working on other projects at the time. We had Coronet magazine.

Mr. LISHMAN. I am not going into that. You say in your statement that you paid \$5,000 to Miss Bayne and you have already testified that it was in the form of a company check, that your bookkeeper so informed you, and it was for her assistance in this matter. I am using your own words. Is that correct?

Mr. HESS. Yes, sir.

Mr. LISHMAN. So in other words, you paid \$15,000 instead of \$10,000, is that correct, in order to get Mr. Hoffer on this show?

Mr. HESS. Yes, sir.

Mr. LISHMAN. That is correct. Now, I will show you a certificate of Mr. Roy J. Hertz. Who is Mr. Hertz, comptroller?

Mr. HESS. Yes, sir.

Mr. LISHMAN. I would like to read this certificate of Mr. Roy J. Hertz, comptroller of Hess department store in Allentown. The letterhead is Hess', Allentown, Pa., from the office of comptroller, October 29, 1939.

I hereby certify that to the best of my knowledge all books, records, and ledgers which were submitted to Mr. James Kelly—

and parenthetically I will identify Mr. Kelly as an investigator for the subcommittee—

are true and correct and further that such records reflect no payment to anyone in connection with Kenneth Hoffer's appearance on any TV quiz show in New York or elsewhere.

HESS BROTHERS,
ROY J. HERTZ,
Comptroller.

Now, Mr. Hess, I would like to ask if you can reconcile this certificate of your comptroller that your records of your store reflect no payment to anyone in connection with Mr. Hoffer's appearance on any TV quiz show in New York or elsewhere with the statement in your own statement that you made here tonight, that you paid \$5,000 by company check to Miss Gertrude Bayne.

Mr. HESS. I say in my statement that I think I should add this last paragraph in the statement. Add this to the statement:

Information which was brought to my attention since the statement was prepared.

Mr. LISHMAN. Now, Mr. Hess, did you at any time discuss the payment of money with Mr. Schwartz, Mr. Elroy Schwartz?

Mr. HESS. I can't remember ever discussing it with Mr. Schwartz.

Mr. LISHMAN. Did you have a telephone call to New York City while Mr. Gottlieb was present in which you discussed the payment of \$10,000 to Mr. Schwartz?

Mr. HESS. It might have been, but to the best of my knowledge I don't remember it.

Mr. LISHMAN. Would you deny that you made such a telephone call to Mr. Schwartz?

Mr. HESS. I just don't remember it.

Mr. LISHMAN. Were you aware of the arrangements that were made by Mr. Gottlieb and did you instruct him to pay the money to Mr. Schwartz?

Mr. HESS. I had instructed him; being a public relations man—

Mr. LISHMAN. Did you give \$5,000 in cash to Mr. Schwartz?

Mr. HESS. No, sir.

Mr. LISHMAN. Did you give \$5,000 in cash to Mr. Gottlieb?

Mr. HESS. Yes, sir.

Mr. LISHMAN. Did you instruct Mr. Gottlieb to take that money and deliver it to Mr. Elroy Schwartz?

Mr. HESS. No, sir.

Mr. LISHMAN. What did you tell him to do with the \$5,000?

Mr. HESS. To make the payment to the people that he was supposed to see on the "\$64,000 Question" to get young Hoffer——

The CHAIRMAN. To do what?

Mr. HESS. To take the money and make the payment to see that Hoffer would get on the "\$64,000 Question."

Mr. LISHMAN. Did you ever mention the name of Schwartz to Mr. Gottlieb?

Mr. HESS. To the best of my knowledge, I did not.

Mr. LISHMAN. Now, with respect to the second \$5,000 cash transaction, did you give the second \$5,000 to Mr. Gottlieb?

Mr. HESS. Yes, sir.

Mr. LISHMAN. What instructions did you give Mr. Gottlieb at the time you gave him the \$5,000 in cash the second time?

Mr. HESS. I don't remember the exact instructions I gave him at that time.

Mr. LISHMAN. Did you tell him that he should pay the money to a Mr. Schwartz in New York City?

Mr. HESS. Yes. I didn't say that he should pay it to Mr. Schwartz: I said to complete the transaction.

Mr. LISHMAN. Did you know that the money was going to Mr. Schwartz?

Mr. HESS. If I did, I don't remember it.

Mr. FLYNT. May I ask a question at that point?

Mr. LISHMAN. Yes.

Mr. FLYNT. Did you tell him to take the second \$5,000 to the same man that he carried the first \$5,000 to?

Mr. HESS. I told him to take the \$5,000 and complete the transaction.

Mr. LISHMAN. Mr. Hess, after Mr. Schwartz had delivered \$5,000 in cash to Mr. Schwartz as he has testified, did he report back to you that he had made such delivery?

Mr. HESS. I don't remember it.

Mr. LISHMAN. Did you have any discussions with Mr. Gottlieb with respect to whom he had paid the first \$5,000 to?

Mr. HESS. To the best of my recollection I had no discussion to whom he paid the first \$5,000 to.

Mr. LISHMAN. Did anyone tell you, other than Mr. Gottlieb, to whom he had paid the first \$5,000 cash payment?

Mr. HESS. Not that I can remember.

Mr. LISHMAN. Now when it comes to the second \$5,000 cash payment, did Mr. Gottlieb report back to you that he had made that payment to Mr. Schwartz?

Mr. HESS. I don't remember if he did or not.

Mr. LISHMAN. Your prepared statement says that second payment was made in accordance with your agreement. Who did you make this agreement with?

Mr. HESS. It was made with Mr. Gottlieb.

Mr. LISHMAN. No; Mr. Gottlieb, as I understand it, was a messenger in this transaction and you made the second payment of \$5,000 to live up to your agreement, that the second installment would be made. I will quote your exact words—

Mr. Hoffer was put on the program and I subsequently gave to Mr. Gottlieb the additional \$5,000 to complete my agreement.

Now, my question is, Who did you have this agreement with?

Mr. HESS. Mr. Levine made all the arrangements.

Mr. LISHMAN. I am not asking about Mr. Levine. This statement says this was to complete your agreement. I want to know who you made this agreement with.

Mr. HESS. In my statement I tell you I gave the money to Mr. Gottlieb. I didn't make the agreement with anybody.

Mr. LISHMAN. What does this sentence mean in your statement in the first paragraph on page 2, the last sentence:

Mr. Hoffer was put on the program and I subsequently gave to Mr. Gottlieb the additional \$5,000 to complete my agreement.

This is not Mr. Levine's agreement. You say "mine."

Mr. HESS. That was my agreement to pay the additional \$5,000.

Mr. LISHMAN. With whom did you make that agreement? That is a simple question.

Mr. HESS. I gave Mr. Gottlieb the additional \$5,000 to complete my agreement.

Mr. LISHMAN. I know. I am asking you with whom.

Mr. HESS. Mr. Gottlieb made the arrangements.

Mr. LISHMAN. I think the witness should be directed to answer the question. It is a simple question. He had an agreement with someone. He could name the person with whom he had the agreement.

Mr. HESS. Mr. Levine told me that \$10,000 had to be paid and Mr. Gottlieb was going to complete the transaction.

The CHAIRMAN. Let me see if I can help you out a little bit, Mr. Hess. Mr. Gottlieb testified a moment ago that he was in your office after he had made the first trip to New York in which there was a suggestion of \$1,000 or \$2,000, that he was told that was not sufficient and he had to come back. He did come back and report and that you made a telephone call. He said he presumed, from what happened the day before or whenever it was in New York in his conversation and what happened subsequently, that that telephone conversation was with Mr. Schwartz. You said in your statement that you had a telephone conversation with, what was the person's name, Elaine somebody.

Mr. LISHMAN. Gertrude Bayne.

The CHAIRMAN. You said you had a telephone conversation. Mr. Lishman asked you was it Mr. Schwartz, you said no, it was with somebody else. Did you have a telephone conversation to New York?

Mr. HESS. To the best of my knowledge, I did not.

Mr. LISHMAN. You did have some contact with somebody.

Mr. HESS. I could have talked to Miss Bayne.

Mr. LISHMAN. Did you talk to Miss Bayne?

Mr. HESS. Yes; she is one of our public relations people.

Mr. LISHMAN. Is she on your weekly or monthly payroll?

Mr. HESS. She was at that time, yes.

Mr. LISHMAN. But there had to be somebody who made the contact that consummated what you call "my agreement." Is that right?

Mr. HESS. It could have been Miss Bayne.

Mr. LISHMAN. Was that contact made by you or Mr. Levine?

Mr. HESS. It could have been made by Mr. Levine.

Mr. LISHMAN. Who was it made by?

Mr. HESS. I think it was made by Mr. Levine.

Mr. LISHMAN. Do you know if you made it yourself or not?

Mr. HESS. No; I did not make the contact.

Mr. LISHMAN. You made no contact yourself personally?

Mr. HESS. No, sir.

Mr. LISHMAN. Did you ever talk to anyone in New York by telephone or otherwise whether it was Miss Bayne or anyone with the producing company?

Mr. HESS. To the best of my knowledge, I didn't.

Mr. LISHMAN. You did not?

Mr. HESS. No.

Mr. LISHMAN. You were relying on Mr. Levine, Mr. Gottlieb, and Miss Bayne; is that it?

Mr. HESS. Yes, sir.

Mr. LISHMAN. And it was through that source and connection that you entered into what you call "my agreement"?

Mr. HESS. Yes, sir.

Mr. LISHMAN. Is that true or not?

Mr. HESS. To the best of my knowledge; yes.

Mr. LISHMAN. Mr. Hess, where you are dealing in sums of cash of \$5,000 allotments, it should have an indelible print on your mind, and I am sure being a good businessman that you are, that you could remember transactions of that kind. You ought to know whether you did or whether you did not. That is all we want to know.

Mr. HESS. I trusted both Mr. Levine and Mr. Gottlieb, and I think Mr. Levine can answer that question.

Mr. LISHMAN. Did Mr. Gottlieb come back from New York and tell you that it would take more than \$1,000 or \$2,000 to get Mr. Hoffer on the show?

Mr. HESS. I think Mr. Levine told me.

Mr. LISHMAN. Mr. Levine told you?

Mr. HESS. Yes.

Mr. LISHMAN. Then was there a telephone call made following that to determine what it would take?

Mr. HESS. I could have called Miss Bayne to find out just what the story was.

Mr. LISHMAN. Mr. Gottlieb said you made a call and talked to a Mr. Schwartz.

Mr. HESS. To the best of my knowledge I don't remember any call like that.

Mr. LISHMAN. Did Mr. Gottlieb make a call to Mr. Schwartz or anybody else in your presence?

Mr. HESS. Not that I know of.

Mr. LISHMAN. You did all of this through Mr. Levine?

Mr. HESS. Yes, sir.

Mr. LISHMAN. I am not altogether satisfied in my own mind whether you are a little confused and nervous at this point or whether you are trying to evade—

Mr. HESS. I am not trying to evade.

Mr. LISHMAN (continuing). Something here. I want to be eminently fair to you, Mr. Hess, because all we want is the truth out of you. You have come this far with facts and truth which are rather important. That is all we want. I think it is pretty important. You say that is precisely how it was, that Mr. Levine can explain that.

Mr. HESS. Yes, sir.

Mr. LISHMAN. Now, Mr. Hess, in the light of your testimony I am compelled to go into the manner in which Mr. Kelly was received when he first called on you in Allentown. Do you recall that on October 26, 1959, Mr. Kelly, who is sitting here with me, an investigator for the subcommittee called on you?

Mr. HESS. Yes, sir.

Mr. LISHMAN. In Allentown?

Mr. HESS. Yes, sir.

Mr. LISHMAN. Did he inform you of why he was there?

Mr. HESS. Yes, sir.

Mr. LISHMAN. What did he tell you?

Mr. HESS. He was here to investigate the "\$64,000 Question."

Mr. LISHMAN. Did you deny to Mr. Kelly knowing anything whatsoever about that matter?

Mr. HESS. Yes, sir.

Mr. LISHMAN. You denied to him that you knew absolutely anything about it. Is that right?

Mr. HESS. Yes, sir.

Mr. LISHMAN. All right.

Now, did Mr. Kelly ask if you would grant him permission to look at the records of the store or to talk with the people in your company respecting this matter?

Mr. HESS. He wanted to talk to us; yes, sir, respecting this matter.

Mr. LISHMAN. Did you grant him that permission?

Mr. HESS. No.

Mr. LISHMAN. What did you tell Mr. Kelly?

Mr. HESS. Well, I was not very nice to him.

Mr. LISHMAN. Did you tell him to "drop dead"?

Mr. HESS. Yes, I did.

Mr. LISHMAN. Did you?

Mr. HESS. Yes, I did.

Mr. LISHMAN. Was there a Mr. Grieser present?

Mr. HESS. Yes, there was.

Mr. LISHMAN. Who is he?

Mr. HESS. Our store manager.

Mr. LISHMAN. After you received the subpoena from Mr. Kelly, what did you say?

Mr. HESS. I didn't thank him for it.

Mr. LISHMAN. Did you say "Tear it up and forget it"?

Mr. HESS. I said after he goes let us tear it up.

Mr. LISHMAN. Did you tell Mr. Grieser "Tear it up"?

Mr. HESS. Yes.

Mr. LISHMAN. I would just like to have the record show in this connection—I was not going into this—but in view of the testimony that we received I felt it my duty as counsel to show the contemptuous and arrogant manner in which one of our investigators was received

by Mr. Hess when he was on his duty there to try to find out the truth in this case.

Mr. HESS. I am very sorry that happened.

Mr. LISHMAN. You don't deny now that you know anything about payment of money for anyone getting on the "\$64,000 Question," do you?

Mr. HESS. I haven't denied the money at all since the beginning of this.

Mr. LISHMAN. Was there a second meeting that you had with Mr. Kelly?

Mr. HESS. Yes, there was.

Mr. LISHMAN. On Thursday, October 29, of this year?

Mr. HESS. Yes, there was.

Mr. LISHMAN. Who was present at that meeting?

Mr. HESS. Mr. Boyd Walker and Mr. Kelly.

Mr. LISHMAN. Did you deny to Mr. Kelly at that meeting that you had paid any money to get anyone on a television quiz show in New York?

Mr. HESS. To my best recollection I don't know if that question was asked at that time.

Mr. LISHMAN. Why was Mr. Kelly there?

Mr. HESS. He came in with Mr. Boyd Walker.

Mr. LISHMAN. Was Mr. Boyd Walker present?

Mr. HESS. Yes, he was present.

Mr. LISHMAN. Didn't you and Mr. Boyd Walker hear Mr. Kelly ask the question of you as to whether or not you had paid any sums to get any person on the television quiz show in New York?

Mr. HESS. I would like to have Mr. Boyd Walker refresh my memory.

Mr. LISHMAN. You were there. It was only a short time ago. Didn't Mr. Kelly ask you that question on the second visit?

Mr. HESS. He asked me several questions.

Mr. LISHMAN. Didn't he ask you that one?

Mr. HESS. He might have asked that question, yes.

Mr. LISHMAN. What did you answer?

Mr. HESS. No; I guess.

Mr. LISHMAN. You what?

Mr. HESS. No.

Mr. LISHMAN. You answered "No". When did you begin to tell us what actually happened in this case?

Mr. HESS. When we found out that Mr. Gottlieb was involved.

Mr. LISHMAN. How did you find out that Mr. Kelly knew that Mr. Gottlieb was involved in this case?

Mr. HESS. Well, I don't how Mr. Kelly knew. I found out through Mr. Walker and I called up Mr. Gottlieb.

Mr. LISHMAN. Did Mr. Walker tell you that Mr. Kelly desired to interview Mr. Gottlieb?

Mr. HESS. No; he didn't tell me this.

Mr. LISHMAN. What did Mr. Walker tell you?

Mr. HESS. He talked to Mr. Gottlieb's attorney.

Mr. LISHMAN. Isn't it a fact that once you had learned that Mr. Kelly had gotten information from Mr. Gottlieb that the payment had been made that then you realized that you had to come forward and tell the truth? Is that correct?

Mr. HESS. Then I wanted to come forward and tell the truth.

Mr. LISHMAN. You issued a press release.

Mr. HESS. I did.

Mr. LISHMAN. In that press release you stated that you had paid the \$10,000?

Mr. HESS. Yes, sir; I did.

Mr. LISHMAN. That was after you knew that our investigator had interviewed Mr. Gottlieb and learned the facts?

Mr. HESS. That is correct.

Mr. LISHMAN. Was this a common practice of yours, in order to get plugs for your store, to pay?

Mr. HESS. Yes, sir.

Mr. LISHMAN. Who else have you paid for plugs?

Mr. HESS. Oh, I can't begin to name them. There were quite a few.

Mr. LISHMAN. Name a few. Any TV shows other than the "\$64,000 Question"?

Mr. HESS. Yes, sir.

Mr. LISHMAN. Name one or two, please.

Mr. HESS. There were so many of them.

Mr. LISHMAN. Did you make the payments in cash?

Mr. HESS. No; they were made by check.

Mr. LISHMAN. Check. Name a few if there were many. You can name a few.

Mr. HESS. Mr. Levine certainly can help you out on this if you ask him.

Mr. LISHMAN. It was your money or your store's money.

Mr. HESS. I am not in charge—

Mr. LISHMAN. Did you make any such payments for plugs with TV columnists and other writers?

Mr. HESS. Yes, sir; I have. The store has.

Mr. LISHMAN. Name some of these TV shows to which you paid for having a plug for your store.

Mr. HESS. Sir, Mr. Levine is in charge of our public relations department. As such, he could answer and tell you all the people.

Mr. LISHMAN. Name one or two. Did Mr. Levine ever tell you one or two?

Mr. HESS. I have seen them and I just can't remember them at the present time.

Mr. LISHMAN. Not even one or are there so many that you can't remember?

Mr. HESS. There are so many.

Mr. LISHMAN. About how many would you say? About 50?

Mr. HESS. I wouldn't know. I couldn't tell you exactly how many?

Mr. LISHMAN. Twenty?

Mr. HESS. I imagine so.

Mr. BENNETT. Were they all quiz programs?

Mr. HESS. No, sir.

Mr. LISHMAN. Have you appeared on a TV show?

Mr. HESS. Yes, sir.

Mr. LISHMAN. Who did you appear with?

Mr. HESS. Kate Smith.

Mr. LISHMAN. Did you pay to get on there?

Mr. HESS. Yes, sir.

Mr. LISHMAN. Did you appear with Dunninger?

Mr. HESS. I certainly did.

Mr. LISHMAN. Did you pay to get on there?

Mr. HESS. Yes, sir.

Mr. BENNETT. What did you pay Kate?

Mr. HESS. I don't remember. We have records.

Mr. BENNETT. Does Levine have the records?

Mr. HESS. Not with him.

Mr. LISHMAN. Do you think this was a common practice in order to get these plugs that a person would have to pay?

Mr. HESS. It was not "was"; it is a common practice.

Mr. LISHMAN. It is. Isn't it a fact that the sponsor buys the time and unbeknownst to the sponsor ostensibly somebody gets a free ride by paying some side money to a producer? Is that the case?

Mr. HESS. This is considered a business today. There are plenty of people—

Mr. LISHMAN. It is considered a business?

Mr. HESS. Yes.

Mr. LISHMAN. Wouldn't this closely approach commercial bribery, in your opinion?

Mr. HESS. Commercial what?

Mr. LISHMAN. Commercial bribery.

Mr. HESS. No, sir. This is a recognized business. There are certain people in New York that do just nothing but plug words.

Mr. LISHMAN. Would you name one or two of those for us?

Mr. HESS. I would rather have you ask Mr. Levine. You have the record of all this.

Mr. LISHMAN. Do you know them?

Mr. HESS. We have had on our payroll anywhere from six to eight of these people a month. I can't remember.

Mr. LISHMAN. Name one or two of them. You pay them money. It seems to me you ought to know who you are paying it to.

(No response.)

Mr. LISHMAN. Are these people commonly known as "schlukmeisters" that you are referring to? "Schlukmeisters," masters of making a sharp bargain on the side? Is that what they are known as in the trade? You say it is a business. I am trying to find the business name for them.

Mr. HESS. These people are in the business like everybody else and it is a recognized thing with them.

Mr. LISHMAN. Don't you think it is a fraud on the sponsor who pays the big sum of money to get the program format established and buys the time of the network and then some one comes along and for a comparatively small amount of money gets a free ride on the sponsor's program.

Mr. HESS. I think it is a terrific thing for a little business to be able to get on some of those big network shows.

Mr. LISHMAN. Has anyone in the Federal Communications Commission ever conferred with you regarding this business, as you call it, of getting free plugs by making side payments to a producer?

Mr. HESS. To the best of my knowledge, no.

Mr. LISHMAN. You know there is a prohibition in section 317 of the Federal Communications Act against this, don't you?

Mr. HESS. I am not aware of it.

Mr. LISHMAN. You are not aware of it?

Mr. BENNETT. That is not a fair question, Mr. Lishman, because there is nothing in the record here that would indicate that the Federal Communications Commission had any information about this situation.

Mr. LISHMAN. I am asking him if he knows there is a provision in the law. I am not asking him about the Federal Communications Commission. I think it is a very fair question. If he does not know, he can say so.

Mr. BENNETT. You asked him—

Mr. LISHMAN. I asked him the first question. Read that question, Mr. Reporter.

(Question read by the reporter.)

Mr. BENNETT. I want to say that question is unfair and unwarranted. There is no evidence here that the Federal Communications Commission had any information upon which to base a request, No. 1.

Mr. ROGERS. Mr. Chairman, I am going to take exception to that. The jurisdiction of this subcommittee is based upon an investigation of the FCC and the record shows that they have never done anything in the work about any of this. I think the question is appropriate and certainly in order at this point.

Mr. BENNETT. You have been talking about the FCC. If the FCC has any authority to make an investigation, No. 1, that is one thing. No. 2, certainly if they have the authority, somebody ought to call it to their attention. They are not mindreaders.

Mr. ROGERS. The FCC was not set up down there for people to hunt up. They were put there to do a job and the record shows that they have not done it. I think this record ought to show it. If we are going to try to whitewash somebody, let us find out.

Mr. BENNETT. You got a lot of mileage out of—

Mr. ROGERS. I got a lot of mileage out of it because I was after it.

Mr. BENNETT. I hope you do.

The CHAIRMAN. I think we should proceed with this witness and what he knows.

Mr. LISHMAN. Mr. Hess, did you or Mr. Levine or any employee of yours to your knowledge make any telephone calls attempting to reach the witness, Hoffer, in Reading, Pa., on Friday morning last?

Mr. HESS. To the best of my knowledge, I don't know anything about it.

Mr. LISHMAN. Did anybody discuss with you that they attempted to get in communication with Mr. Hoffer who was a witness here this evening?

Mr. HESS. Not that I can remember.

Mr. LISHMAN. Did you order anyone or ask anyone to call Mr. Hoffer?

Mr. HESS. Not that I can remember.

Mr. LISHMAN. Did Mr. Levine discuss with you that he had telephoned either to Mr. Hoffer's store where he is employed or to Mr. Hoffer himself?

Mr. HESS. Not that I can remember.

Mr. LISHMAN. Did Mr. Walker ever discuss this with you?

Mr. HESS. Not to the best of my knowledge.

Mr. LISHMAN. In addition to making these side payments to producers of TV shows, you say you also make payments for plugs with TV columnists and others; is that correct?

Mr. HESS. Yes, sir.

Mr. LISHMAN. To whom do you make such payments?

Mr. HESS. The different public-relations firms.

Mr. LISHMAN. How is this money passed on to columnists?

Mr. HESS. I don't know how it is handled through the columnists. We pay the public-relations firms.

Mr. LISHMAN. I will show you one of your own statements made from your own store's records and ask you if this will refresh your recollection as to who were the recipients of some of these payments.

(Document handed to witness.)

Mr. HESS. Which ones would you like to know about?

Mr. LISHMAN. Any of them.

Mr. HESS. Jack O'Brien.

Mr. LISHMAN. How much did you pay him?

Mr. HESS. A thousand dollars.

Mr. LISHMAN. What did he do for the thousand dollars?

Mr. HESS. He came up to the store.

Mr. LISHMAN. What did he do at the store? You don't know?

Mr. HESS. He came up to the store and made a visit to the store. It was goodwill.

Mr. LISHMAN. What other columnist did you pay money to for a plug on the store?

Mr. HESS. On this list here?

Mr. LISHMAN. Yes.

Mr. HESS. There is Bob Considine.

Mr. LISHMAN. What did he do?

Mr. HESS. He came up to the store, too.

Mr. LISHMAN. Did he write an article about the store?

Mr. HESS. He might have. I don't remember.

Mr. LISHMAN. You don't remember. How much did you pay him?

Mr. HESS. A thousand dollars.

Mr. LISHMAN. There are some other names on there, too, aren't there?

Mr. HESS. John Hall. He got \$102.

Mr. LISHMAN. What did he do? Did he advertise the store for that?

Mr. HESS. I don't remember. You would have to ask Mr. Levine.

Mr. LISHMAN. Will Mr. Levine be able to give more definite answers on all these questions?

Mr. HESS. Yes, sir.

Mr. LISHMAN. Then I will reserve any further questions until we reach Mr. Levine. I have no further questions.

The CHAIRMAN. Mr. Rogers?

Mr. ROGERS. Mr. Hess, in your statement you said that you assumed that this was the way people got on these national television shows, by paying money. Why did you think that?

Mr. HESS. Well, I was told it by Mr. Levine and I just assumed that all these people had to have angles. They just could not appear without some backing.

Mr. ROGERS. You assumed that all of the people had to have angles?

Mr. HESS. Yes.

Mr. ROGERS. Was there anything besides what Mr. Levine told you that made you believe this?

Mr. HESS. I just understood it was good business.

Mr. ROGERS. It was good business. Had you done it before?

Mr. HESS. Well, I had appeared before.

Mr. ROGERS. I mean had you paid money to get some announcements about your store on a program that was not your program before?

Mr. HESS. Yes, sir.

Mr. ROGERS. And you had done that a number of times, had you not, Mr. Hess?

Mr. HESS. Yes, sir.

Mr. ROGERS. And that is the reason that you knew it was a common practice to do that, didn't you?

Mr. HESS. Yes, sir.

Mr. ROGERS. When did you first give out any information in relation to this press release about paying the \$10,000 referred to?

Mr. HESS. Well, I don't remember the date. But after I found out that Mr. Gottlieb was involved and he was going to testify, I wanted to tell my story.

Mr. ROGERS. How long ago was that?

Mr. HESS. I think it was Friday.

Mr. ROGERS. Friday. But you had had dealings with these schluk-meisters, or whatever they are called, before, had you not?

Mr. HESS. Yes, sir.

Mr. ROGERS. And Mr. Levine was carrying on this practice prevalent, was he not?

Mr. HESS. For the store.

Mr. ROGERS. And you had a public-relations woman in New York who operated in this manner, did you not, Miss Bayne?

Mr. HESS. Yes.

Mr. ROGERS. And you had public-relations people all over the United States who had been working in connection with your store, had you not, Mr. Hess?

Mr. HESS. We had quite a few of them. I do not know if they were all over the United States.

Mr. ROGERS. You were interested in advertising your store and the town of Allentown, Pa., all over the United States, interstate in every State in the United States, had you not?

Mr. HESS. That is correct.

Mr. ROGERS. And you had been following these practices in doing that?

Mr. HESS. That is right.

Mr. ROGERS. Now, you do not do \$30 million worth of business by selling merchandise to the people that live in Allentown, Pa., do you?

Mr. HESS. No, sir.

Mr. ROGERS. Your activities were intended to go out across State lines into other States, were they not?

Mr. HESS. Our activities were to make the name of Hess Bros. and Hess in Allentown synonymous with a department store.

Mr. ROGERS. And you were following trade practices and advertising practices that you understood were the proper manner in which to generate business, were you not?

Mr. HESS. Yes, sir.

Mr. ROGERS. Did any member of the Federal Communications Commission or any one associated with that body ever at any time talk to you about your activities in this connection?

Mr. HESS. To the best of my knowledge, I don't remember.

Mr. ROGERS. Has anyone with the Federal Trade Commission, either a member of that Commission or any employee of it or anyone representing that Commission, ever discussed this matter with you at any time with relation to your advertising on television?

Mr. HESS. To the best of my knowledge, I don't remember.

Mr. ROGERS. Have you ever had any conferences or consultations with either of those bodies since you have been engaging in these practices, or since you have been in business?

Mr. HESS. I do not remember any.

Mr. ROGERS. You would remember if they called on you and discussed this type of program, would you not, Mr. Hess?

Mr. HESS. I don't remember any being in the store or talking to any.

Mr. ROGERS. Where did you get this \$5,000 in cash?

Mr. HESS. Out of my funds.

Mr. ROGERS. Out of where?

Mr. HESS. My own funds.

Mr. ROGERS. Where were these funds?

Mr. HESS. Well, I have a safe.

Mr. ROGERS. A safe?

Mr. HESS. Yes.

Mr. ROGERS. You keep the cash in there?

Mr. HESS. I keep \$10,000 or \$12,000, usually.

Mr. ROGERS. What denominations were the bills you gave to Mr. Gottlieb to take to this man in New York?

Mr. HESS. \$50 and \$100 bills.

Mr. ROGERS. 1,500 \$100 bills?

Mr. HESS. No; \$50 and \$100 bills.

Mr. ROGERS. \$50 and \$100 bills. Was the first \$5,000 the same denomination?

Mr. HESS. I don't remember, sir.

Mr. ROGERS. Did you just put this in an envelope and hand it to Mr. Gottlieb and say, Go give this to Mr. Schwartz?

Mr. HESS. No, sir.

Mr. ROGERS. What did you do?

Mr. HESS. I gave the money to Mr. Gottlieb to give to whoever he had to take it to on the "\$64,000 Question."

Mr. ROGERS. Wait a minute. I did not hear that.

Mr. HESS. I gave money to him and to see that he delivered it to whoever had the "\$64,000 Question."

Mr. ROGERS. You went into it a minute ago. You do not remember any conversation over the telephone with Mr. Schwartz or anybody?

Mr. HESS. To the best of my knowledge, I don't.

Mr. ROGERS. You just handed out the cash and all you saw was this Hoffer boy on the television and that satisfied you?

Mr. HESS. Yes.

Mr. ROGERS. Did you feel what you were doing was wrong, Mr. Hess?

Mr. HESS. I thought it was a terrific promotion for the store.

Mr. ROGERS. Why were you so antagonistic to the investigator of this subcommittee when he asked you questions about it?

Mr. HESS. I didn't know who he was when he first came into the store.

Mr. ROGERS. Did he identify himself?

Mr. HESS. Subsequently, he did.

Mr. ROGERS. He did what?

Mr. HESS. He identified himself.

Mr. ROGERS. Why were you antagonistic toward him if you did not think you had done a wrong?

Mr. HESS. I had been tangled up with some fair trade cases before this and I was advised by my lawyer to be very careful not to talk to anybody unless they identified themselves and be sure who you were talking to.

Mr. ROGERS. You were tangled up with what kind of case?

Mr. HESS. Fair trade cases.

Mr. ROGERS. Fair trade cases. Then you have had some dealing with the Federal Trade Commission.

Mr. HESS. Fair trade against selling.

Mr. ROGERS. You mean with the State commissions under the fair trade laws in Pennsylvania?

Mr. HESS. The fair trade laws under the State of Pennsylvania.

Mr. ROGERS. Under the State of Pennsylvania. You had had some dealings with them about your operations?

Mr. HESS. Yes, sir.

Mr. ROGERS. Were you convicted for that or not?

Mr. HESS. We have not won any.

Mr. ROGERS. You have not won any?

Mr. HESS. No.

Mr. ROGERS. You mean you have lost every time?

Mr. HESS. Civil litigation.

Mr. ROGERS. Civil litigation. I understand that. You have lost every time. They have enjoined you from certain practices.

Mr. HESS. They have enjoined from selling for less. We wanted to sell something for a lower price and they stopped us from doing it.

Mr. ROGERS. You thought that Mr. Kelly, being from a congressional committee, you might get in trouble again?

Mr. HESS. I have been advised by my attorney, Mr. Walker, not to talk to anybody.

Mr. ROGERS. Not to talk to anybody?

Mr. HESS. Yes, sir.

Mr. ROGERS. How long was it before you realized that you ought to talk to Mr. Kelly?

Mr. HESS. After I realized what I had done.

Mr. ROGERS. After you realized what you had done. Mr. Hess, do you realize that what you did was wrong?

Mr. HESS. I certainly do, sir, and I apologize.

Mr. ROGERS. I am not talking about that. I am talking about paying the \$10,000 or \$15,000 to get somebody else on another man's show.

Mr. HESS. I think that was a terrific thing. We got our name known all over the country.

Mr. ROGERS. You think that was terrific and you think that was all right?

Mr. HESS. Yes, sir. That is the customary practice.

Mr. ROGERS. It is a customary practice. You would do it again if you got the chance to get the advertising?

Mr. HESS. I would like to get the chance again.

Mr. ROGERS. You would like to get the chance again. The only things you are sorry about is mistreating the investigator for the subcommittee?

Mr. HESS. Yes, sir.

Mr. ROGERS. I think that is all, Mr. Chairman.

The CHAIRMAN. Mr. Bennett?

Mr. BENNETT. Mr. Hess, is this the first time that you paid cash for an advertising arrangement of this kind?

Mr. HESS. Yes, to the best of my knowledge, this is the first time.

Mr. BENNETT. Your other TV plugs or TV advertising were paid by check?

Mr. HESS. Yes, sir.

Mr. BENNETT. One of your company's checks?

Mr. HESS. Yes, sir.

Mr. BENNETT. How much money do you spend a year for advertising, approximately?

Mr. HESS. It could be 3 percent of our total volume. It could be more. I don't know the exact figure.

Mr. BENNETT. Approximately \$1 million?

Mr. HESS. Oh, no, that is too much. I would say it would be around 2 percent of our total volume.

Mr. BENNETT. It would be about \$600,000?

Mr. HESS. Yes.

Mr. BENNETT. Is that approximately what you pay from year to year, newspaper, radio, all forms of advertising?

Mr. HESS. It could be more or less. I don't definitely know. I would have to get the figures for you.

Mr. BENNETT. This \$10,000 is a relatively small amount as far as you are concerned, is it not? You are a very wealthy individual and you are operating a very profitable business and you are the sole owner of it?

Mr. HESS. That's right.

Mr. BENNETT. Do you feel you got your money's worth out of this \$10,000?

Mr. HESS. I think it was very well worth it.

Mr. BENNETT. Were you disappointed that your man only got to the \$250 question?

Mr. HESS. No; I was tickled that we were able to get him on at all.

Mr. BENNETT. You would have been satisfied if he just got the first question?

Mr. HESS. Yes, sir.

Mr. BENNETT. You just wanted him on there and you wanted one plug for Hess' store.

Mr. HESS. For the store, for the city.

Mr. BENNETT. And for the city. With that you would have felt you were well rewarded for your \$10,000?

Mr. HESS. Yes, sir.

Mr. BENNETT. You were not the one who made any complaint about this to our subcommittee, were you? Did you ever complain to anybody about this yourself?

Mr. HESS. What?

Mr. BENNETT. About having to pay this \$10,000 to get your man on.

Mr. HESS. No, I never complained.

Mr. BENNETT. Somebody else divulged it. Was it Mr. Hoffer?

Mr. HESS. Mr. Hoffer?

Mr. BENNETT. Yes. How did you get into this picture; why are you here?

Mr. HESS. I don't really know.

Mr. BENNETT. You are not here on account of anything that you said or did?

Mr. HESS. No, sir.

Mr. BENNETT. Somebody else got you into this?

Mr. HESS. Must have.

Mr. BENNETT. And against your wishes?

Mr. HESS. I like being with you gentlemen.

Mr. BENNETT. Well, we are glad to have you here.

Mr. HESS. The feeling is mutual.

Mr. BENNETT. It gives Mr. Rogers a chance to talk about the FCC.

From your standpoint, I can see where what you did is perfectly legitimate. I cannot see anything wrong with you trying to advertise your store and pay out your good hard cash to do it. But do you not think, or do you not see something possibly wrong with a person running a television program secretly going out and taking cash payments to get people on his program?

Mr. HESS. I did not look at it that way. I was just thinking of our store and how good it would be.

Mr. BENNETT. Thinking it over, do you not believe that kind of a practice is a deceitful practice as far as the public is concerned?

In other words, when your man got on this program no one said Mr. Hess paid \$10,000 to get this boy on here, did they?

Mr. HESS. No, sir.

Mr. BENNETT. As far as the public television audience is concerned, they thought that your man was selected on the basis of his knowledge and his skill and that everything was on the up-and-up, did they not?

Mr. HESS. The public, yes.

Mr. BENNETT. But actually, you paid \$10,000 in cash to get him on. So, from the standpoint of the producer who took your money or the person who took your money and made this arrangement, it was a deceitful arrangement, do you agree?

Mr. HESS. I guess it would have been better if we owned the television program ourselves.

Mr. BENNETT. Is that a fair statement, that this would be a deceitful thing for a television producer to do or for anybody to do that had any connection with that kind of a deal?

Mr. HESS. I guess it was only last week on the "Dinah Shore Show," Pan-American had a big television bag on the closing scene of the show.

Mr. BENNETT. Why did you pay cash in this instance? Why did you not write out a check?

Mr. HESS. This is what they told me was needed and this is the way it had to be done and I was perfectly willing to go along with it.

Mr. BENNETT. You mean Gottlieb told you?

Mr. HESS. No, Mr. Levine or somebody in the organization.

Mr. BENNETT. But this is the only time. You spent a lot of money.

Mr. HESS. There was only one "\$64,000 Question" and this was the biggest show at the time.

Mr. BENNETT. What is the second biggest show that you got plugs out of that you paid for? I mean without it being known?

Mr. HESS. Mr. Levine could tell you this.

Mr. BENNETT. You have a radio station in Allentown, do you not?

Mr. HESS. No television; radio.

Mr. BENNETT. You spend money to advertise your store there, do you not?

Mr. HESS. Yes, sir.

Mr. BENNETT. And it is announced over the station that this is an advertisement of Hess' store?

Mr. HESS. Yes, sir.

Mr. BENNETT. And you write them out a check for it?

Mr. HESS. Yes, sir.

Mr. BENNETT. Do you do any television advertising through Pittsburgh or through any big city TV's?

Mr. HESS. We have done quite considerably amount of television work in Philadelphia in past years.

Mr. BENNETT. You write out checks for that?

Mr. HESS. Yes, sir.

Mr. BENNETT. But these other programs that you are talking about, like the "\$64,000 Question," your name was not mentioned as having paid anything to be on the program?

Mr. HESS. No, sir.

Mr. BENNETT. Is that true?

Mr. HESS. Our name was not mentioned for being on the program, that is true.

Mr. BENNETT. You mean you were not mentioned as being a paid advertiser?

Mr. HESS. No.

Mr. BENNETT. How much did you pay Kate Smith to be on her program?

Mr. HESS. I don't remember.

Mr. BENNETT. Did you pay cash?

Mr. HESS. I didn't pay Kate Smith.

Mr. BENNETT. Who did you pay?

Mr. HESS. Some public relations agency.

Mr. BENNETT. Can you name any other programs offhand? You were not able to a few minutes ago. Have you thought of any others besides that?

Mr. HESS. I just can't think of any now.

Mr. BENNETT. Have you ever paid any radio station or television station any money secretly to get your name on the station?

Mr. HESS. Not that I remember.

Mr. BENNETT. You didn't make any payment to any radio station to get Mr. Hoffer on the air?

Mr. HESS. Pay any radio station to get Mr. Hoffer on the air?

Mr. BENNETT. On the "\$64,000 Question."

Mr. HESS. Not to my knowledge.

Mr. BENNETT. Are you familiar with section 317 of the Communications Act?

Mr. HESS. No, sir.

Mr. BENNETT. Let me read it to you. It is very short. I would like Mr. Rogers to listen to this, because I don't think he has read it, either:

All matter broadcast by any radio station for which service money, or any other valuable consideration is directly or indirectly paid, or promised to or charged or accepted by, the station so broadcasting, from any person, shall, at the time the same is so broadcast, be announced as paid for or furnished, as the case may be, by such person.

I assume you understand that.

Mr. HESS. Yes.

Mr. BENNETT. Do you?

Mr. HESS. Yes, sir.

Mr. BENNETT. You did not pay any money to any station?

Mr. HESS. To the best of my knowledge.

Mr. BENNETT. Secretly? So I assume you didn't violate section 217?

Mr. HESS. I hope not.

Mr. BENNETT. As far as you know.

Mr. HESS. As far as I know.

Mr. BENNETT. If you did you would be glad to tell the FCC about it?

Mr. HESS. Yes.

Mr. BENNETT. You never got curious enough to go down to New York to find out who this Schwartz fellow was, did you?

Mr. Hess. To the best of my knowledge I never heard that name. If Mr. Gottlieb told me that name, it went in one ear and out the other.

Mr. BENNETT. When is the last time you saw Miss Bayne, your public relations girl? Did you ever discuss this deal with her in person?

Mr. HESS. Who got the money?

Mr. BENNETT. Did you ever discuss the deal with her?

Mr. HESS. We could have discussed it with her, yes.

Mr. BENNETT. How did you discuss it with her? Did you ask her any questions about it?

Mr. HESS. Mr. Levine made all the arrangements.

Mr. BENNETT. Did you ever ask Mr. Levine who Schwartz was and how this \$10,000 of your money got spread around?

Mr. HESS. To the best of my knowledge I don't know Mr. Schwartz.

Mr. BENNETT. Your position is that you wanted Hoffer on the program and you were willing to pay \$10,000 to get him on. You dished out \$10,000 to somebody, you don't know who. But Hoffer got on the program. As far as you are concerned you got value received, and you are satisfied?

Mr. HESS. That is correct.

Mr. BENNETT. And you don't want it investigated. You are not curious how it happened? You are just satisfied that it did happen?

Mr. HESS. Yes, sir.

Mr. BENNETT. Would you be willing to cooperate with the sub-committee in trying to run down the person, if he was a producer of this program, to see who did get this \$10,000?

Mr. HESS. I would be very happy, sir.

Mr. BENNETT. Would you do that?

Mr. HESS. Yes.

Mr. BENNETT. I think that is all, Mr. Chairman.

The CHAIRMAN. Mr. Flynt.

Mr. FLYNT. Mr. Hess, when you gave Mr. Gottlieb the first package of \$5,000, what did you tell him to do with it?

Mr. HESS. I am sure I wished him a safe trip over to New York and to deliver it to the right people on the "\$64,000 Question," because I trusted Mr. Gottlieb implicitly.

Mr. FLYNT. Did you have an idea who the money was going to?

Mr. HESS. If Mr. Gottlieb mentioned the name, I don't remember.

Mr. FLYNT. Then 2 days later you gave him \$5,000 more.

Mr. HESS. Yes.

Mr. FLYNT. Did you know where that was going?

Mr. HESS. To the people that saw Mr. Hoffer got on the show.

Mr. FLYNT. Did you get any receipts for that money?

Mr. HESS. To the best of my knowledge, I didn't ask for any receipt.

Mr. FLYNT. Did you enter it as a business expense?

Mr. HESS. No, sir.

Mr. FLYNT. Then how do you reconcile that with the title of this book you wrote, "Every Dollar Counts"? I am serious. How did you account for this \$10,000?

Mr. HESS. Mr. Hoffer appeared on the show so Mr. Gottlieb must have seen the right people.

Mr. FLYNT. As a business expense?

Mr. HESS. Yes, sir.

Mr. FLYNT. And yet you made no entry of it in either your personal books or your business books.

Mr. HESS. That is right.

Mr. FLYNT. Do you handle many \$10,000 transactions that way?

Mr. HESS. No, sir.

Mr. FLYNT. Is this the only one?

Mr. HESS. This is the only one I can remember.

Mr. FLYNT. Or is it that you are saying that because it is the only one we have knowledge of?

Mr. HESS. It is the only one I can remember, sir.

Mr. FLYNT. You knew that Mr. Hoffer was not an expert, didn't you?

Mr. HESS. I didn't, when I found out he was on baseball, I didn't think he would be an expert on baseball.

Mr. FLYNT. Did it make any difference to you whether he was on there on baseball or credit? All you wanted to do was to get him on the show?

Mr. HESS. That is right.

Mr. FLYNT. It didn't make any difference if it was on a subject or category that he knew something about.

Mr. HESS. It would have been better if it was something he knew.

Mr. FLYNT. Would it be better if he had been on longer?

Mr. HESS. Yes, sir.

Mr. FLYNT. Are you willing to tell the subcommittee that you would be willing to pay \$50,000 instead of \$10,000 for him to reach the \$64,000 plateau?

Mr. HESS. If he could have stayed for \$10,000 and gone up it would have been much better.

Mr. FLYNT. It would have been much better.

Mr. HESS. If he could have stayed for \$10,000 and could have gone up to the top.

Mr. FLYNT. If he was on there one time for \$10,000 and got in two plugs, how much would it have been worth to you to keep him there until he reached the \$64,000 plateau?

Mr. HESS. We could not afford any more than that.

Mr. FLYNT. Isn't it a fact, Mr. Hess, that if he had stayed on there for a sufficient length of time—this was in August or September, wasn't it?

Mr. HESS. I think it was August.

Mr. FLYNT. If he had stayed on there for a sufficient length of time, isn't it possible that he might have reached the \$64,000 plateau in the category of baseball just about the time the World Series was being played?

Mr. Hess. I didn't figure it out that way, but it could have been that way.

Mr. FLYNT. So basically as far as you were concerned the whole idea of getting Mr. Hoffer on there was to plug your store. We will say it was deceitful, at the very least.

Mr. HESS. I thought it was a good promotion.

Mr. FLYNT. Yes, but you were not trying to promote an honest quiz show. You were trying to plug your store.

Mr. Hess. I didn't know whether he could answer the questions or not.

Mr. FLYNT. How many other people have you made payments to? First of all, Mr. Schwartz, are you satisfied now that he is the man that got the \$10,000?

Mr. Hess. To the best of my knowledge I don't know Mr. Schwartz. If Mr. Gottlieb told me that name, it went in one ear and out the other.

Mr. FLYNT. Did Mr. Levine tell him where to go with the money or did Mr. Gottlieb himself make the contact with Mr. Elroy Schwartz?

Mr. Hess. You would have to ask Mr. Levine. I don't know if Mr. Levine knew about it.

Mr. FLYNT. The only thing you knew about this was that you provided the \$10,000?

Mr. HESS. Yes, sir.

Mr. FLYNT. You did not have anything to do with the arrangements?

Mr. Hess. I saw that Mr. Gottlieb got the money before Hoffer went on and after Mr. Hoffer appeared.

Mr. FLYNT. All right. But you had nothing to do with the arrangements?

Mr. HESS. Mr. Levine is not charged—

Mr. FLYNT. We will let Mr. Levine out. Did you have anything to do with the arrangements?

Mr. HESS. What arrangements?

Mr. FLYNT. The arrangements whereby you were to pay \$10,000 to get Mr. Hoffer on the show.

Mr. HESS. I had no arrangements—I made the arrangements—I gave the money so that Mr. Hoffer could appear on the show.

Mr. FLYNT. Then who wrote this part of your statement that says Mr. Hoffer was put on the program and—

I subsequently gave to Mr. Gottlieb the additional \$5,000 to complete my agreement.

Does that say anything about Mr. Levine or anybody else? It is in the first full paragraph on page 2 of your statement, the last line.

(The witness conferred with his counsel.)

Mr. HESS. That was the additional \$5,000. That was the agreement we made, that I subsequently gave to Mr. Gottlieb the additional \$5,000 to complete my agreement.

Mr. FLYNT. Was it in fact your agreement?

Mr. HESS. This is my agreement, yes.

Mr. FLYNT. All right, with whom?

Mr. HESS. This is my agreement to see that Mr. Hoffer appeared on the show.

Mr. FLYNT. You say "my agreement." You cannot have an agreement between yourself. At least I don't know about that kind of an agreement. Who did you have the agreement with?

Mr. HESS. Mr. Levine took care of all the details. I saw that Mr. Gottlieb got the money. Whoever it was, maybe it was Mr. Schwartz or whoever it was down at the "\$64,000 Question." I don't know who that person was.

Mr. FLYNT. What was the source of the \$10,000? We will consider it as one package of \$10,000. We will consider it as one package of \$10,000 even though really there were two. What was the source of that?

Mr. HESS. The source?

Mr. FLYNT. Yes. Was it from your funds or company funds?

Mr. HESS. No, they were from my funds.

Mr. FLYNT. From proceeds of checks that your company had written to you or not?

Mr. HESS. No. I have income. I keep around \$10,000 or \$12,000 in cash.

Mr. FLYNT. After you took \$10,000 out of the safe, if you didn't keep but about \$12,000 there, it was pretty bare.

Mr. HESS. It was.

Mr. FLYNT. Did that wipe it out?

Mr. HESS. I had a couple of thousand left.

Mr. FLYNT. How many other people have you made payments to that were employed by other companies to get your company plugged?

Mr. HESS. We have on our—we retain on and off around anywhere from six to eight public relations firms a month.

Mr. FLYNT. How many? Six to eight?

Mr. HESS. Six to eight.

Mr. FLYNT. Where are these payments made?

Mr. HESS. To public relations people.

Mr. FLYNT. Where? In New York or in Pennsylvania or just where are they paid?

Mr. HESS. Mr. Levine could tell you the details. I really don't know.

Mr. FLYNT. It was your idea, was it not?

Mr. HESS. Mr. Levine is in charge of our public relations program in the store and I think it was a darn good idea. He saw to it that all these things would—

Mr. FLYNT. Now let us get back to Mr. Kelly's visit to your store. When he first came there did you admit any responsibility or even the fact that this money had been paid to Schwartz or anybody else?

Mr. HESS. We didn't even talk about Schwartz.

Mr. FLYNT. Did you talk about \$10,000 payments to get Hoffer on the program?

Mr. HESS. To the best of my knowledge Mr. Kelly never asked about the \$10,000.

Mr. FLYNT. Did you tell him anything about it?

Mr. HESS. No, I didn't tell him anything about it.

Mr. FLYNT. Did you admit any knowledge of any arrangements to get Hoffer on the program?

Mr. HESS. No, I didn't admit any knowledge to Mr. Kelly.

Mr. FLYNT. That was last week when he called on you, wasn't it?

Mr. HESS. What, sir?

Mr. FLYNT. Last week when he called on you at your store.

Mr. HESS. Yes, sir.

Mr. FLYNT. On what day? Wednesday or Thursday?

Mr. KELLY. It was first on Monday, and the second trip was on Thursday.

Mr. FLYNT. On either one of those days did you give the true story of this to Mr. Kelly?

Mr. HESS. The first day I didn't give him any information.

Mr. FLYNT. On the first day?

Mr. HESS. Yes.

Mr. FLYNT. What about the second day?

Mr. HESS. The second day I told him a little more.

Mr. FLYNT. How much more?

Mr. HESS. Not too much.

Mr. FLYNT. You did not tell him very much, did you?

Mr. HESS. No.

Mr. FLYNT. When did you first tell him the truth about it?

Mr. HESS. I never did tell him the truth about it.

Mr. FLYNT. You never did?

Mr. HESS. No.

Mr. FLYNT. This is the first time you told the truth about it?

Mr. HESS. To him.

Mr. FLYNT. Who did you send over to New York to talk to him and tell him that you wanted to tell the truth about the whole thing?

Mr. HESS. Mr. Boyd Walker.

Mr. FLYNT. Did you give Mr. Walker any instructions as to what he was supposed to do when he got over there?

Mr. HESS. I didn't give him any instructions.

Mr. FLYNT. What did you send him to New York for?

Mr. HESS. To tell Mr. Kelly the rest of the story.

Mr. FLYNT. Was anything said about a deal of any kind? Did you want to make a deal with Mr. Kelly?

Mr. HESS. A deal?

Mr. FLYNT. Yes. That you would tell the truth if such and such a thing would be done.

Mr. HESS. I wish you would ask Mr. Walker that question.

Mr. FLYNT. I am not asking Mr. Walker. Did you tell Mr. Walker to tell Mr. Kelly to tell the truth if Mr. Kelly would be something else?

Mr. HESS. What else would he do?

Mr. FLYNT. I don't know. That is what I am asking you. Did you make any statement as that to Mr. Walker?

Mr. HESS. To the best of my knowledge I don't recollect anything like that.

Mr. FLYNT. What was the purpose of sending Mr. Walker to New York to see Mr. Kelly?

Mr. HESS. To tell the rest of the story.

Mr. FLYNT. In exchange for what?

(No response.)

Mr. FLYNT. I will ask it this way: Did you send word to Mr. Kelly that you would tell the truth about this if it would involve some other people in a possible tax evasion case?

Mr. HESS. What is this? Would you mind repeating that question?

Mr. FLYNT. Did you send word to Mr. Kelly that you would tell the truth about this \$10,000 payment to get Hoffer on the program if this might involve anybody, any of the other witnesses in this case, or any other participants in this case, in a possible tax-evasion case?

Mr. HESS. I don't remember anything like that.

Mr. FLYNT. You don't recollect anything like that?

Mr. HESS. No.

Mr. FLYNT. Was there anything added to it that provided there was no publicity in connection with this that you now suspected this might have bad publicity effects instead of good publicity, and that if there were publicity attached to it, as far as you were concerned, that you would tell the truth?

Mr. HESS. I have no idea what Mr. Walker told Mr. Kelly in New York.

Mr. FLYNT. What did you tell Mr. Kelly?

Mr. HESS. I didn't talk to Mr. Kelly.

Mr. FLYNT. What did you tell Mr. Walker to tell Mr. Kelly when you sent him to New York?

Mr. HESS. Mr. Walker is right here.

Mr. FLYNT. I am not asking Mr. Walker, I am asking you what you told Mr. Walker to tell Mr. Kelly.

Mr. HESS. I told Mr. Walker to tell him the rest of the story.

Mr. FLYNT. On what conditions?

Mr. HESS. As far as I know, to the best of my knowledge there were no conditions.

Mr. FLYNT. Then how soon after that did you make your press release as to your version of the story of what happened?

(No response.)

Mr. FLYNT. First of all, you sent Mr. Walker to New York on Friday night, is that correct?

Mr. HESS. Friday night.

Mr. FLYNT. On Saturday morning you made your press release?

Mr. HESS. The story was in the paper. I don't know what time.

Mr. FLYNT. Couldn't you have told me that without me having to pull it like pulling teeth?

Mr. HESS. I am a little confused at this point. I have had a lot of questions thrown at me.

Mr. FLYNT. You know it was the next morning, do you not?

Mr. HESS. Yes; I remember very well, sir.

Mr. FLYNT. Are there any other people that you know of that worked for anybody else that you have made payments to either by cash or by check in order to get plugs for Hess' Department Store?

Mr. HESS. As I said before, there are plenty that we have paid.

Mr. FLYNT. A good many?

Mr. HESS. Paid by check.

Mr. FLYNT. You know that at least one of them was made in New York, don't you?

Mr. HESS. At least one.

Mr. FLYNT. At least one involving Mr. Hoffer to get Mr. Hoffer on the "\$64,000 Question" television program, that was made in New York?

Mr. HESS. I assume it was made in New York.

Mr. FLYNT. Do you know that section 439 of the penal laws of New York makes it a criminal offense to pay money to any person in the employment of another in relation to the duties of his employment, and that is known in the courts of New York as commercial bribery?

Mr. HESS. I am not aware of it.

Mr. FLYNT. You are not aware of it. You are aware of it now, are you not?

Mr. HESS. Yes, sir.

Mr. FLYNT. That is all I have.

The CHAIRMAN. Mr. Devine?

Mr. DEVINE. Mr. Hess, were you in the hearing room this evening when Mr. Hoffer testified?

Mr. HESS. I was.

Mr. DEVINE. Let us get back to some agreement. Did you have any agreement with Mr. Hoffer as to what he was going to do on this program?

Mr. HESS. To the best of my knowledge, I had no agreement with Mr. Hoffer what he was to do on this program.

Mr. DEVINE. Did you not have an understanding with him that he would mention Hess department store once or twice?

Mr. HESS. I understood that he would mention the store on the program.

Mr. DEVINE. Was there anything said by you to Mr. Hoffer that he would get up to the \$64,000 point and then lose?

Mr. HESS. To the best of my recollection I never made a statement like that.

Mr. DEVINE. Was there anything said to him about a Cadillac automobile?

Mr. HESS. To the best of my knowledge that was never said.

Mr. DEVINE. Did you and Mr. Hoffer agree that the evaluation of a Cadillac at that time would be roughly \$4,000?

Mr. HESS. I don't remember anything about that.

Mr. DEVINE. Did you make any promise or inference to him that he would receive that as a bonus for having performed this function?

Mr. HESS. I can't remember anything about that.

Mr. DEVINE. You do not recollect. Do you then deny that these things transpired between you?

Mr. HESS. To the best of my knowledge, I do not remember anything like that.

Mr. DEVINE. I did not say if you remember. I say do you deny that these things happen?

Mr. HESS. I do not remember making any arrangements with him like that.

Mr. DEVINE. I will ask you this and I wish you would listen very closely. Did you or anyone in your employ, Mr. Levine, Mr. Walker or anyone in your store, get in touch with Mr. Hoffer this last week?

Mr. HESS. To the best of my knowledge I do not know of anybody.

Mr. DEVINE. This is just this last week. I will ask you again, whether you or Mr. Levine or Mr. Walker or anybody in your employ got in touch with Mr. Hoffer this week either personally or by telephone.

Mr. HESS. To the best of my knowledge, I don't remember anything.

Mr. DEVINE. You do not have any recollection of that?

Mr. HESS. No.

Mr. DEVINE. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Hess, the purpose of this subcommittee is to find out what transpired to determine whether or not that in this kind of an operation there is an area in connection with broadcasting that the committee of Congress should deal with by legislation.

You have given a rather sordid picture of those events that is truthful from the standpoint of what actually resulted in the payments and the reasons for it. But it is difficult for me to understand how, as a businessman, and a successful businessman—and I am sure that all of Reading, Pa., is proud of your business and should be—

Mr. LISHMAN. Allentown.

The CHAIRMAN. Allentown.

You took the \$5,000 in cash. Would it be embarrassing if I were to ask you where you had this cash when you got it, from whatever source?

Mr. HESS. I have a little safe.

The CHAIRMAN. I suppose it might go beyond what we should ask you where that safe was.

Mr. HESS. I have it in the store.

The CHAIRMAN. It was in the store. In other words, that is a regular part of your business, then. You took it out of that safe in the store.

Mr. HESS. No. It is my own personal safe and I keep my will in it and my little personal—

Mr. BENNETT. Is it burglarproof?

The CHAIRMAN. Was the second \$5,000 cash taken from your safe where you had it as your personal money?

Mr. HESS. Yes, sir.

The CHAIRMAN. Why did you not send a check?

Mr. HESS. Well, that is what I was told what it would take and I was very anxious to get the name Hess Bros. and the city of Allentown before the American public. That was a terrific promotion.

The CHAIRMAN. Did they tell you that they would not take a check?

Mr. HESS. I understood it had to be cash.

The CHAIRMAN. Did you not realize or at least have some suspicion that when they wanted cash there was something a little bit unusual about it?

Mr. HESS. Well, I did not think much about it. I thought that the store and myself were one and the same. If that is what it took, I would give them the cash.

The CHAIRMAN. Do you make large cash payments like this very often?

Mr. HESS. No, sir.

The CHAIRMAN. Can you think of any other time that you made a \$5,000 cash payment for this type of service for commissions and advertising?

Mr. HESS. No.

The CHAIRMAN. This is the only one you can think of?

Mr. HESS. This is the only one I can think of.

The CHAIRMAN. You did not think there was anything unusual about it?

Mr. HESS. I figured that the store and myself were synonymous. It is out of one pocket.

The CHAIRMAN. I know that, but when someone asks you to dish that kind of money out in cash, do you think there is something unusual about it?

Mr. HESS. I thought that this was a terrific promotion and this was a good thing for the store.

The CHAIRMAN. I know you thought it was a good promotion. I am not questioning your motives or the purposes which you were paying the money for. I am questioning the method that you went by. I am not raising the question as to the method of operation.

Mr. HESS. I would much rather have it done in check by store. It would have saved a lot of bother.

The CHAIRMAN. The fact is that it was not and it did not raise any suspicions in your mind?

Mr. HESS. It could have been a deductible item if it had been.

The CHAIRMAN. That is another important item.

Mr. HESS. It is a very important item.

The CHAIRMAN. Did you get a receipt for it?

Mr. HESS. No receipt.

The CHAIRMAN. Did you ask him to give you a receipt for it?

Mr. HESS. Never asked for a receipt.

The CHAIRMAN. Who was it who told you to send it by cash?

Mr. HESS. To the best of my knowledge it was either Mr. Levine or Miss Bayne.

The CHAIRMAN. Either Miss Bayne or Mr. Levine?

Mr. HESS. Yes.

The CHAIRMAN. Told you that it would take cash?

Mr. HESS. Yes, it would take cash.

The CHAIRMAN. And you considered it, from what you had heard, being the usual kind of practice that was going on within the industry of this kind of a situation.

Mr. HESS. That is what I thought it took.

The CHAIRMAN. You honestly thought that to be true?

Mr. HESS. Yes, sir.

The CHAIRMAN. You still think it is now?

Mr. HESS. You told me somebody paid \$1,000 to get on the "\$64,000 Question" and I told you I thought I paid too much money.

The CHAIRMAN. Well, I told you that there was \$1,000 paid back to someone who was associated with the show. That was after it was all over. This was before. It is the same thing in different amounts and in a different way.

What we are trying to do is to find out if the broadcasting industry, or these natural resources, are being utilized in this manner.

Mr. HESS. I just took it for granted that this is the way things were done.

The CHAIRMAN. Obviously it is the way this was done. I regret, Mr. Hess, that it was necessary for you to come here under the circumstances. I am sure that you have had limited experience in matters of this kind where a congressional investigator comes, identifies himself, which you could not question, and then you treat him as you did at the outset.

I accept your apology which you offered a moment ago. I am sure after you had time to reflect and think it over that you did recognize the error of your ways and for that reason you did honor the subpoena and you came on in and have told the story that has been revealed here this evening.

It will be our purpose to find out what happened to the money and where it went to. That, I think, we will get, too.

Do you have anything else, Mr. Lishman?

Mr. LISHMAN. No, sir.

The CHAIRMAN. We will have Mr. Levine and Mr. Cates in the morning. I think, in view of the importance of this thing and all involved here, I do not know who is involved and whether or not there is any law violations involved in the State of New York.

The district attorney, who has a representative here, has heard all of this. I do not know if there is anything there for that office or not. But it is something that is going to have to be studied.

I think, probably it will be advisable for you to be here in the morning as the other two witnesses give their testimony.

I think that will be all this evening. We will be back in the morning. I know some of the members of the subcommittee had to leave this afternoon and some are scheduled tomorrow. I, myself, have engagements which I accepted some 6 months ago. I think this is too important to leave in view of the matter we have presently before us to conclude and the witnesses representing the networks who are to be here in the morning who are also busy people in their occupations and positions.

It was my feeling that the networks should be represented by people who knew what was going on in this business. For that reason, I have asked the president of NBC, the National Broadcasting Co., to be here in the morning and Mr. Kintner will be here for that purpose

and Dr. Frank Stanton, president of Columbia Broadcasting System is to be here representing that network.

It is our feeling that in view of the importance of this entire matter that these people who can speak with knowledge and with authority should be here for that purpose.

So, after we conclude in the morning with the two additional witnesses here which should not take but a very few minutes, we will then proceed with both of those gentlemen representing the networks.

The subcommittee will adjourn until 10 o'clock in the morning.

(Whereupon, at 10:55 p.m., the hearing in the above-entitled matter was recessed, to be reconvened at 10 a.m., on the following day.)

INVESTIGATION OF TELEVISION QUIZ SHOWS

THURSDAY, NOVEMBER 5, 1959

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON LEGISLATIVE
OVERSIGHT, OF THE COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The special subcommittee met at 10 a.m., in the caucus room, Old House Office Building, Hon. Oren Harris (chairman) presiding.

Present: Representatives Harris, Mack, Rogers of Texas, Flynt, Moss, Bennett, and Devine.

Also present: Robert W. Lishman, chief counsel; Beverly M. Coleman, principal attorney; Richard N. Goodwin, special consultant; Herman Clay Beasley, chief clerk; and Jack Marshall Stark, minority counsel.

The CHAIRMAN. The subcommittee will come to order.

Mr. George Abrams. Is Mr. Abrams here?

Have a seat, Mr. Abrams.

TESTIMONY OF GEORGE J. ABRAMS

Mr. ABRAMS. Thank you.

The CHAIRMAN. Will you be sworn, please?

Do you solemnly swear that the testimony you give to this subcommittee to be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ABRAMS. I do.

The CHAIRMAN. You are Mr. George Abrams?

Mr. ABRAMS. Yes, sir.

The CHAIRMAN. Are you president of the cosmetic and toiletries division of the Warner-Lambert Pharmaceutical Commission, Morris Plains division?

Mr. ABRAMS. Yes.

The CHAIRMAN. Mr. Abrams, yesterday, in connection with the hearings of this subcommittee, a statement of yours was read into the record. Is that your statement?

Mr. ABRAMS. This is the affidavit filed with Mr. Goodwin?

The CHAIRMAN. Yes.

Mr. ABRAMS. Yes.

The CHAIRMAN. You did make that statement?

Mr. ABRAMS. Yes, sir; I did.

The CHAIRMAN. In an affidavit or deposition to Mr. Goodwin, a staff member of this subcommittee?

Mr. ABRAMS. That is correct.

The CHAIRMAN. Is that statement true and correct?

Mr. ABRAMS. The statement is completely true and correct.

The CHAIRMAN. The subcommittee realized that it was some hardship for you to come down here, and it was thought at the time it would be unnecessary in view of your deposition. However in view of yesterday's developments which seemed to approach a pretty serious situation, it was decided it would be better for you to make yourself available for interrogation on the statement of facts as presented. For that reason we asked you to come down today and we want to thank you for your willingness to cooperate with the subcommittee.

Mr. ABRAMS. I am glad to be here.

The CHAIRMAN. Mr. Mack, do you have any questions?

Mr. MACK. Not at this time.

The CHAIRMAN. Mr. Bennett.

Do you have an additional statement you wish to make?

Mr. ABRAMS. Yes, I have a statement which I would like to read, based first on a fuller explanation of certain points made in the affidavit and then points made as a result of yesterday's testimony as I read it from the newspapers. So with your permission I would like to read the statement.

Mr. BENNETT. Do you have copies of it?

Mr. ABRAMS. Yes, I have given copies to Mr. Goodwin. I have additional copies here.

The CHAIRMAN. I suppose I should not say this, but I hope you didn't base your statement completely on what you read in the newspapers.

Mr. ABRAMS. It was the New York Times.

The CHAIRMAN. It appears that the New York Times is getting a lot of plugs here.

Mr. ABRAMS. It has a great slogan on the front page. With your permission I would like to read the statement.

The CHAIRMAN. I think you should have that privilege.

Mr. ABRAMS. Thank you.

From August 15, 1955, through March 12, 1959, I was the vice president in charge of advertising of Revlon, Inc., and in this capacity I supervised the advertising, sales promotion, and public-relations functions of the corporation. This included responsibility for the advertising appearing in all television properties of Revlon, as well as liaison between the producers of these television programs and the advertising agencies charged with responsibility for the programs.

The "\$64,000 Question" and the "\$64,000 Challenge" were two such properties for which I was responsible.

Directly related to this responsibility was the objective of achieving the highest possible ratings for both programs in order to provide maximum exposure to the public of the advertising messages contained in these programs.

The television ratings reflected the audience draw of the "\$64,000 Question" and the "\$64,000 Challenge," and for this purpose Revlon purchased overnight telephone survey reports which were charted on a regular basis along with the names of contestants appearing coincident with the recorded ratings.

This charting of the ratings, along with contestants' names, enabled us to follow the program's popularity and, in our opinion, also reflected the individual popularity of contestants.

At weekly meetings of the producers, the advertising agency, and our own Revlon executives these ratings charts were studied to determine the reception the public was according to contestants.

I have turned these ratings charts over to the New York district attorney's office.

These charts play an important role in this investigation, in my opinion, because they indicate the week-by-week interest in individual contestants, and were often the starting point of our meeting discussions.

We generally met following the "\$64,000 Question" and preceding the "\$64,000 Challenge." This gave all of those present the opportunity to express an opinion about the Tuesday evening "Question" show contestants and the forthcoming Sunday night "Challenge" show contestants who might have been continued from the previous week.

At the same time, the producers would reveal contestants they proposed to start on both programs to replace terminated contestants.

The word control has been used consistently in connection with the destiny of contestants. I wish to state that, except for a discussion of New York World-Telegram newspaper articles and a Time magazine article on quiz shows and the use of controls, that this word never came up in any of our weekly meetings.

We understood, and I believe even the public understood, that a contestant could be asked a tough or easy question at the discretion of the producers.

This is what I consider control to be as we, the sponsor, understood it.

There was never any discussion until March of 1958—almost 3 years after the programs began—of the possibility that contestants might have been given the questions or answers in advance of the program by the producers.

The March 1958 incident is the Arthur Cohn-Wilton Springer match, on which I know you have heard testimony. I knew Arthur Cohn as a car card advertising salesman who had called on me for 8 years prior to my association with Revlon, and when I heard that he felt his opponent had been given the questions and answers in advance, I called him in for the full story and after hearing it called the producers to receive their explanation.

When they informed me that an accident had occurred in which warmup questions had been given to Mr. Springer, I accepted their statement, but raised the devil with them for being so careless.

It is well to keep in mind that this was the first instance of its kind to come to our attention over almost 3 years of broadcasting of both the "\$64,000 Question" and the "\$64,000 Challenge."

Six months later when I picked up a newspaper and read the Reverend Stony Jackson's confession I realized that the producers might have been using a technique other than tough or easy questions to control the future of the contestants.

At this point, Revlon called CBS into the picture and asked them to conduct an investigation.

Now, returning to the weekly meetings, and the suggestions we made to producers concerning the destiny of contestants. From time

to time contestants would appear on the program who were either very exciting and interesting personalities or very dull and lacking in publicity value.

When the rating charts reflected that the dull contestants were resulting in a loss of program popularity, we suggested to the producers that they find a really tough question to terminate the contestant's appearance. They generally were successful, to my recollection, but not always.

As a matter of fact, one contestant, whom we all agreed was especially uninteresting, went on to win the \$64,000.

On the other hand, we lost some highly desirable contestants either because they were nervous—like Randolph Churchill—or just forgot the correct answer.

In any event, the fate of every contestant was always in the hands of the producers, and they disagreed with our evaluations of contestants as much as they agreed with them.

This leads me to comment on the conflict of testimony between Martin Revson in his statements before the committee, and my statements, as contained in the affidavit I filed with your subcommittee investigator.

As far as I can determine, Mr. Revson and I differ principally on the point of suggesting the fate of contestants, for I agree with him that we never saw the questions and never knew of any preprogram supplying of questions and answers by the producers.

Certainly, on a number of occasions, the hope was expressed to the producers that certain contestants would not continue, or would continue, and I always assumed the producers had at their disposal the weapon of the difficult or relatively simple question to carry out our wishes.

Often producers at these meetings would declare a contestant unbeatable. They would refer to the "tremendous depth of knowledge" held by a contestant as determined in their preliminary screening.

At other times, they would discuss with us just what areas of knowledge a contestant had—a contestant on opera for example, might know only Italian opera and questions would be confined to that segment of the field of opera.

We were told, as still another example, that Teddy Nadler had six strong categories. Therefore, if they had wanted to dispose of Nadler, they could have easily questioned him outside of his area of knowledge.

If Martin Revson was not aware of the suggestions being made to the producers about the life or death of contestants, I can only believe it was because the man was preoccupied with many other problems at Revlon for as executive vice president, the "\$64,000 Question" and "\$64,000 Challenge" were but one of his functions.

On the other hand, I not only attended every "\$64,000 Question" broadcast for 3 years, but also served as regular liaison with the producers.

I repeat without any change in my affidavit that those of us present at these weekly meetings knew the popularity status of contestants as determined by ratings and publicity and expressed to the producers our desires for the ultimate disposition of many contestants.

Our advertising agencies, and particularly Batten, Barton, Durstine & Osborne, who for many months recorded minutes of these meet-

ings, similarly participated in these judgments as to the destiny of contestants.

Charles Revson, the president of Revlon, rarely attended these meetings. Occasionally he would join the session for a short time and express disappointment with the ratings, the contestants, the producers, and the advertising, but I cannot recall a single time when he expressed a feeling as to whether a contestant should continue or be terminated.

Now, as far as the minutes of these meetings are concerned, I should like to make this statement: they generally reflected a true report of our discussions, but quite often they did not.

This is often the case with advertising agency conference reports, for the practice is common for agencies to use such reports to make a point or editorialize to the client or their agency superiors.

Mr. Martin Revson asked Batten, Barton, Durstein & Osborne to discontinue the minutes after reading one report written by Mr. Albert Ward, in which he stated that a match on the "Challenge" show should end that Sunday night, in effect, predicting the outcome.

Martin Revson thought this was a foolish thing for Ward to do and, in my opinion, he was correct, for it represented one man's opinion of a discussion in which 8 or 10 persons jointly participated.

I have been asked what Revlon would have done if they had discovered fraudulent practices taking place on the program.

In my opinion they would have done exactly what Colgate-Palmolive Co. did when they discovered that "Dotto" was rigged. We would have canceled the show immediately.

The loss of a single program would have been far less serious than the jeopardy of a hundred-million-dollar business.

I think it should be stated for the record that, at the suggestion of Charles Revson, and following the "Dotto" scandal, I met with executives of the CBS television network, the Radio-TV Committee of the Association of National Advertisers, and even with the sponsors of "21," to prevail upon these people to police their own industry either by appointing a "czar" or by getting the producers to form an association and clean their own house.

As you know, no one responded to this idea.

The act of controlling the "\$64,000 Question" and the "\$64,000 Challenge," I should like to add in closing, was an act of desperation in trying to save a program which had lived through a most unusual period of television history.

From the highest rated show, it had declined gradually from a top 10 rating position, to one of average status.

In the first year or so of the program, nothing could go wrong; yet, as the ratings showed, the declining curve of audience response meant that more striking contestants, higher dollar prizes, and even the use of celebrities was necessary to maintain viewer interest.

I believe the producers felt this pressure and resorted to rigging and fixing to save their property and satisfy the sponsor.

This does not make their actions any less reprehensible, but I think it does explain why they did it. They were living between the mixed values of show business and the advertising business, and moral values were lost sight of in this effort to entertain the public, and satisfy the sponsor.

I should like to add that I have had no help in the preparation of this and I am here without counsel and I have come voluntarily.

Mr. BENNETT. Thank you, Mr. Abrams, for a very forthright and frank statement of your opinion of what the situation was.

Mr. ABRAMS. Thank you.

Mr. BENNETT. I want to be sure that I understand in what respects you have clarified your affidavit that was read yesterday. I think you said to the chairman that the affidavit was a hundred percent correct.

Mr. ABRAMS. Yes.

Mr. BENNETT. That what you have read here now is in clarification and further explanation of the meaning of some of the things that you said in the affidavit; is that correct?

Mr. ABRAMS. That is correct.

Mr. BENNETT. In the affidavit you say this very significant thing in reference to your meetings with the producer:

The decisions were arrived at about contestants who would continue on the "Question," how a man should go on the "Challenge," and the sponsor and the agency expected that the decision would be carried out with a high degree of accuracy. The producers carried out the sponsor's wishes most of the time as suggested in these meetings.

Mr. ABRAMS. Yes, sir; I believe that to be correct.

Mr. BENNETT. That is correct. That meant that when you indicated, the Revson people or you on their behalf indicated, that a contestant was popular, that because of him the ratings were high, and that it was desirable for him to continue on the program, you intended to say to the producers that they could use whatever means they had available to keep him on the program?

Mr. ABRAMS. Well, it would never be discussed that openly. We would merely point to the rating chart and indicate the rating success of that particular contestant or perhaps our public relations people might be present and present clippings that had appeared to show publicity value of a contestant.

Mr. BENNETT. They did not have to be hit over the head to get the idea?

Mr. ABRAMS. Not at all.

Mr. BENNETT. Then when you said the producers carried out the sponsor's wishes, you meant that when you indicated it would be well to keep a certain contestant on, that is actually what happened?

Mr. ABRAMS. It was always expressed as a hope or a desire.

I was present at the show itself every Tuesday night, and of course the producers were there as well. It was not uncommon for me to act satisfied with the fact that such and such contestant had made it or such and such a contestant had not made it.

Mr. BENNETT. Did you ever inquire of Mr. Koplin or of anyone else—Miss Bernstein or those that were doing the screening for the producers—as to the means they employed in keeping a contestant or getting rid of him?

Mr. ABRAMS. Miss Bernstein never attended any of these meetings. I can't ever recall seeing her at the show.

I understood from my visits to the studio that these warmup sessions were conducted offstage somewhere. So I never did see her.

Mr. BENNETT. Did you discuss with the producer or with anybody representing the producer the means they employed in carrying out the sponsor's wishes in getting a contestant on or off?

Mr. ABRAMS. No. I always had the impression that they had this discretion to hit a contestant with a difficult or easy question in the screening. We presumed that every contestant who applied for the show was an expert in a particular category. They were screened out of many thousand letters.

For me as a viewer sitting in the audience that night, almost every question was a tough one.

Mr. BENNETT. Yes, I found the same thing to be true.

I guess if I had been given the answers I could have repeated them like some of the contestants.

Mr. ABRAMS. I think I could have been a contestant, too.

Mr. BENNETT. The point is, it seems to me, that both the sponsor and the producer had an understanding that contestants would be taken on or off in relation to their usefulness to the program, whether they made it a good program, a high-rated program or they made it a flop.

Mr. ABRAMS. I can only answer that in the way I have before, Mr. Bennett, and that is that we would express a hope. We would understand their procedure based on the screening technique and the use of a question to either continue or discontinue a contestant.

Mr. BENNETT. But you knew, Mr. Abrams, that whatever procedure they used it was a means of controlling whether the contestant would continue on the program or whether he would be taken off?

Mr. ABRAMS. Yes.

Mr. BENNETT. In other words, when they exercised that control, it ceased to be a fair display of the skill and brains and talent between the—

Mr. ABRAMS. Of course, we never questioned that aspect for what might be an unusual reason today. At the time we assumed that every contestant on the show was an expert in a category. It was not until many, many months after the show was on that I realized that when Gino Prado had been a contestant that his questions had been confined to Italian opera. He was billed as a contestant on opera generally. But these things came, as you got to know the show and its workings and in these weekly meetings, it soon became apparent that they could control the destiny of a contestant through these questions.

The CHAIRMAN. Would you yield to me at that point?

Mr. BENNETT. Yes.

The CHAIRMAN. I want to be sure that I understand very clearly just what you have said, Mr. Abrams.

Mr. ABRAMS. Yes, sir.

The CHAIRMAN. And that is, in response to the question of Mr. Bennett, you said, "We knew," as I understand you to say—"We knew that these types or some types of controls were being exercised over the contestants." Is that true?

Mr. ABRAMS. Yes, that is true.

The CHAIRMAN. All right, that is true?

Mr. ABRAMS. Yes.

The CHAIRMAN. Who do you mean when you say "we"?

Mr. ABRAMS. I can only mean all of those present at these same meetings.

The CHAIRMAN. Who were those?

Mr. ABRAMS. You want them by name?

The CHAIRMAN. Yes.

Mr. ABRAMS. By name, and of course persons varied from week to week, but generally this would include Harry Fleischmann, the president of Entertainment Productions, Inc.; Steve Carlin, the executive producer; Mert Koplin, the producer of the show; representatives of the advertising agencies, and these changed rather frequently, but for the most part B.B.D. & O.

Then, representing Revlon, Mr. William Mandel, the advertising manager for Revlon, and myself. And from time to time Mr. Julie Showell, who was the public relations representative of the Carl Erbe Co. All of these were present on a regular basis. Occasionally other people would come in and go out of the meetings.

The CHAIRMAN. Then when you say we knew that they were exercising this type of control of some kind over these contestants, you mean those who were present at these meetings and that included Mr. Martin Revson?

Mr. ABRAMS. This is my honest belief, that everyone present knew this method.

Mr. BENNETT. Mr. Charles Revson is president of the company and he is not what you characterize as a naive person, is he?

Mr. ABRAMS. I would say quite the contrary.

Mr. BENNETT. Quite the contrary. He is a very able, shrewd, successful businessman and has run a very successful enterprise over the years?

Mr. ABRAMS. Yes.

Mr. BENNETT. Did he know that the producer was exercising some control over this program?

Mr. ABRAMS. Not to my knowledge, because first, he rarely attended these meetings. I would say that he virtually kept a hands-off policy personally as far as the program was concerned.

Mr. BENNETT. He was as interested as you were, was he not, in having the ratings kept high?

Mr. ABRAMS. Yes. But his method was to scream at me if the ratings were not up.

Mr. BENNETT. And he left it to your judgment to make arrangements to see that the ratings were kept high?

Mr. ABRAMS. That is correct.

Mr. BENNETT. Was he "all shook up" when he found that a contestant had complained about the program being fixed?

Mr. ABRAMS. Yes, he was very disturbed because of the bad association publicitywise that this would mean for Revlon.

Mr. BENNETT. He was afraid of bad publicity. You got a complaint in March 1958. He said you did not tell him. You investigated it but you did not tell him about it until 3 months later. He was quite disturbed.

Mr. ABRAMS. He is wrong in point of time.

I actually told him the same day that Mr. Cohn was in my office.

Mr. BENNETT. Was he aware of the method?

Mr. ABRAMS. To the best of my recollection, he was.

Mr. BENNETT. At that time, did anything come up about whether there was or was not some control over these contestants?

Was not that question discussed between you and Mr. Charles Revson after this contestant had made his complaint and wasn't he all disturbed about it?

Mr. ABRAMS. No.

Mr. BENNETT. Did you not try to make clear to him that there was some control being used?

Mr. ABRAMS. I told him that I had checked the producers on this and that they had assured me that it was an accident and since it was the first time that such an incident had come to our attention, I had already accepted that could have happened.

Mr. BENNETT. But he did not question you at all and you volunteered no information about the fact that contestants were kept on or taken off in accordance with the wishes which you had expressed in his behalf?

Mr. ABRAMS. No, he did not.

Actually, I rarely discussed the program from that standpoint. He was more interested in, No. 1, the ratings, and how the program was doing in selling merchandise.

Mr. BENNETT. Was he worried about the complaint of the contestant having an adverse effect on the show?

Mr. ABRAMS. Yes.

Mr. BENNETT. But he asked you no questions and you volunteered no information about the fact that while the contestant's complaint may have been untrue as far as having given him answers is concerned, nevertheless, means were employed that would keep that man on or take him off if the producer and you people wanted to do either?

Mr. ABRAMS. No. I accepted Mr. Cohn's statement that this thing had actually happened.

Mr. BENNETT. You accepted it?

Mr. ABRAMS. I did accept his statement and I believed that it did happen. I then did call the producers to get their explanation of it and it amounted to a matter of judgment on my part as to whether this could have been a legitimate accident where a warmup question could later accidentally have been used on the show at that time.

Mr. BENNETT. Did you discuss this contestant's complaint with Mr. Martin Revson?

Mr. ABRAMS. Yes, I did.

Mr. BENNETT. Was he in on this deal?

What was his reaction?

Mr. ABRAMS. Well, in both instances I believe the reaction was the same, and that is that they had asked me whether I had asked the producers for an explanation and was I satisfied with their explanation. I told them at the time that I was.

Mr. BENNETT. Martin Revson thought this was a rather crude way of getting the result they wanted to obtain?

Mr. ABRAMS. I agree this was a crude way of achieving a result.

Mr. BENNETT. Yes, I agree, too. Was that his impression?

Mr. ABRAMS. I don't recall really what his remarks coming back to me were; merely that I reported it to him.

Mr. BENNETT. Is there any doubt in your mind that Martin Revson knew that the producer was controlling the contestants on the show and that he was a party to asking him to do it as much as you were?

MR. ABRAMS. I find it very difficult to believe that he wouldn't know, sitting in these meetings as a party to the same proceedings, that the tough or easy question was the method based on the screening procedure.

As I mentioned in my statement, the word "control" never came on the table except when it appeared on these articles that Time and World Telegram published.

MR. BENNETT. He would have been dumber than you know he is to believe that the producer was not carrying out instructions to control contestants?

MR. ABRAMS. Frankly, I was amazed at the testimony because I consider Martin a very honest person. I have worked with him now for about 4 years. I frankly don't understand his answer unless he was preoccupied.

In many meetings he was constantly interrupted by telephone calls from the plant, the financial department. He had many responsibilities besides this program and would merely say let the meeting continue. He might be on the phone for as much as a half hour out of a 45-minute meeting. That was not uncommon.

Then you have a period of time, too, as I recall, he left the company around April 1958, and the real problem seemed to occur and the real desperation that I refer to in my statement seemed to occur around this point when the ratings suddenly started to decline with great acceleration.

MR. BENNETT. As one member of the subcommittee, Mr. Abrams, I believe what you say.

MR. ABRAMS. Thank you.

MR. BENNETT. I think this a very honest and very frank and very reasonable, consistent statement of what the arrangement was between the sponsor and producer in this regard.

I thank you.

MR. ROGERS. Mr. Abrams, these programs were advertised as being a fair, honest contest between people, or a fair presentation of questions to an individual that was supposed to have answered them honestly, was it not?

MR. ABRAMS. I don't think they were advertised, but I think it was assumed, first, when we bought the show it was honest, and when it was on the air for the public to see that it was honest.

MR. ROGERS. It was your intention to convey to the public that was the case, was it not?

MR. ABRAMS. Yes.

MR. ROGERS. Actually, it was not the case, was it?

MR. ABRAMS. If you mean by that the giving of questions and answers, I would agree with you completely.

MR. ROGERS. No, I do not mean giving the questions and answers. As a matter of fact, we are getting a line of demarcation here or a degree of guilt in this thing that I do not think is proper.

If you use some unfair means to put a man off the show or some unfair means to keep him on there, it would not make any difference whether those means were by word of mouth, I was going to say, or taking a gun and shooting. That would be bordering on criminality. But it would be just as effective, would it not?

MR. ABRAMS. I understand what you are saying.

In the early days of the show, by that I mean roughly the first year to 2 years of the program, frankly it never occurred to any of us, and I am speaking for others when I say this, that throwing a tough or easy question at a contestant would be unfair since they represented themselves as experts able to handle an entire category of a product, or a category of a subject.

Today it does seem that way to me, looking back.

In other words, the fact that contestant A could get a relatively easy question and contestant B a relatively difficult question seems to me today to be unfair.

Mr. ROGERS. Yes, sir.

As a matter of fact, it was a shady practice, was it not?

Mr. ABRAMS. You are putting a shady word into my mouth.

Mr. ROGERS. What, I?

Mr. ABRAMS. I say you are putting a shady word into my mouth. I don't know that I would go so far as to call it a shady practice.

Mr. ROGERS. It was not honest, was it?

Mr. ABRAMS. I would call it an unfair practice.

Mr. ROGERS. It was deceitful to the people that were viewing the show?

Mr. ABRAMS. It is very hard for me to speak for the 45 million television viewers. I would say yes, they were deceived because they felt they were seeing a completely fair and honest match.

Mr. ROGERS. Did anyone from the Federal Communications Commission or the Federal Trade Commission ever discuss this matter with you in any way?

Mr. ABRAMS. Never at any time.

Mr. ROGERS. Have they had any discussions with you about any matters since 1955?

Mr. ABRAMS. The Federal Trade Commission? Never directly.

Of course, the Federal Trade Commission as a Government body responsible for detecting misleading advertising practices would. In Revlon advertising, if the Federal Trade Commission questioned any of the advertising claims, representatives of the company would go to Washington to see the Federal Trade Commission.

Mr. ROGERS. You mean they would send for you?

Mr. ABRAMS. Yes.

Mr. ROGERS. Did they send for you?

Mr. ABRAMS. They have never sent for me.

Mr. ROGERS. Have they sent for anyone of your group or anyone connected with these shows?

Mr. ABRAMS. Not to my knowledge.

Mr. ROGERS. Has the Federal Communications Commission sent for anyone in this regard?

Mr. ABRAMS. I don't know of anyone who might have been sent for by FCC.

Mr. ROGERS. As far as you know, there have been no inquiries made by the Federal Communications Commission or the Federal Trade Commission concerning your activities with relation to the quiz shows?

Mr. ABRAMS. No, but I expect there will be now.

Mr. ROGERS. I expect there will be, too, and you will probably be asked the question that has been asked here, as to whether or not you advised the Federal Communications Commission or the Federal Trade Commission of what you were doing.

Since you say that you think the public was deceived, do you not think you should have gone to the Federal Communications Commission and said, "Mr. Federal Communications Commission, we are deceiving the public"?

Mr. ABRAMS. The answer to that is "No," for this reason.

The Federal Communications Commission in my understanding has virtually nothing to do with the advertiser. They deal with the networks and stations.

Mr. ROGERS. They what?

Mr. ABRAMS. They deal with the networks and the stations.

Mr. ROGERS. Would you have gone to them if you had thought they had something to do with advertising and told them you were deceiving the public?

Mr. ABRAMS. It frankly would never occur to me to go to the Federal Communications Commission.

Mr. ROGERS. Yes, sir; how about the Federal Trade Commission?

Do you not think you should have gone and said, "Mr. Federal Trade Commission, we are deceiving the public here and we want you to know about it"?

Mr. ABRAMS. I don't think Mr. Charles Revson would have looked very kindly on such an action.

Mr. ROGERS. As a matter of fact, if a man is going to steal a pig, he is not going to take a policeman with him, is he?

Mr. ABRAMS. That is correct.

Mr. ROGERS. And since these practices were deceitful, the last people in the world you would have talked to would be the FCC and the FTC?

Mr. ABRAMS. That is correct.

Mr. ROGERS. I think that is all.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. Mr. Abrams, you said in your earlier testimony the first time the word "control" was used is when an article appeared in Time magazine in 1957.

Mr. ABRAMS. And the World-Telegram series, yes.

Mr. DEVINE. When those articles appeared, what was the nature of the discussion in your meetings? Did anybody at that time specifically admit that controls had and were being used on your program?

Mr. ABRAMS. Of course, we raised the question immediately with the producers and they denied completely that any rigging or fixing was going on.

My recollection is that at this point they did admit that they had, through their screening procedure, this potentiality of throwing a tough or easy question at a contestant.

Mr. DEVINE. That leads to the next question:

I notice in your answer you said "tough" or "easy" and in your prepared statement that was read yesterday the same thing.

When you say "tough" or "easy," is that used in the ordinary sense you and I would understand, or does that mean that these contestants were screened so thoroughly that the producer knew where they were weak and where they were strong?

Mr. ABRAMS. That is correct. "Tough" or "easy" is my own vernacular for describing a simple ordinary or difficult question.

Mr. DEVINE. Miss Bernstein, for instance, knew where the contestant was strong or weak, in a certain area, and they would avoid the weak area if they wanted to help the contestants.

Mr. ABRAMS. That is my understanding.

Mr. DEVINE. In other words, they would ask questions to which they knew the answers?

Mr. ABRAMS. Yes.

Mr. DEVINE. I think that is all.

The CHAIRMAN. Mr. Flynt.

Mr. FLYNT. Mr. Abrams, when did you first become satisfied in your mind that deceptive types of controls were being used on contestants?

Mr. ABRAMS. Of course, the most dramatic was the article that appeared in the New York Journal-American one Saturday in which this minister from Tennessee made an open statement.

Mr. FLYNT. Do you recall when that was?

Mr. ABRAMS. Yes, I was on vacation at Spring Lake, N.J., at the time. I know that it was a Saturday and it must have been perhaps the first week in September.

Mr. FLYNT. Of 1958?

Mr. ABRAMS. Yes.

Mr. FLYNT. At that time you were vice president of advertising for Revlon, Inc.?

Mr. ABRAMS. Yes; that is correct.

Mr. FLYNT. Did you receive any instructions from the principal executive officer of that corporation to do anything when that development took place?

Mr. ABRAMS. As I recall it, William Jaffe, who was the television legal counsel for Revlon, called me, and said that on instructions from Mr. Charles Revson he felt we should immediately bring this to the attention of the Columbia Broadcasting System.

I suggested at the same time that I should call our cosponsor, P. Lorillard Co., via their advertising agency. I placed a call with Mr. Banton, who handled these matters for Lennie and Newell. I told him this was the second experience that had come to our attention on the "\$64,000 Challenge."

Mr. FLYNT. The first one had been Mr. Arthur Cohn?

Mr. ABRAMS. Yes; that is correct.

I told him about that in this conversation. I agreed that CBS certainly should get into the picture very quickly.

Mr. FLYNT. How long before that had Mr. Arthur Cohn told you about this?

Mr. ABRAMS. That was in March of 1958. It was roughly 6 months.

Mr. FLYNT. That was in March 1958?

Mr. ABRAMS. Yes; 6 months prior to that.

Mr. FLYNT. And Mr. Martin Revson left his position as executive vice president of Revlon, Inc., almost contemporaneously with that incident?

Mr. ABRAMS. I think it was quite close.

Mr. FLYNT. Was there any connection between the two?

Mr. ABRAMS. None at all. It was merely a personal dispute between the brothers.

Mr. FLYNT. That had nothing to do with it?

Mr. ABRAMS. No.

Mr. FLYNT. As far as you know?

Mr. ABRAMS. I am certain it did not.

Mr. FLYNT. I asked that question. I wondered about it because of the almost simultaneous occurrence of these two things.

Mr. ABRAMS. No; I think that was pure coincidence.

Mr. FLYNT. Did you report the incident to either of the Revson brothers?

Mr. ABRAMS. Yes; I mentioned it to both of them and told them the action I had taken with the producer and what my judgment was of the situation. There was nothing further discussed at that point.

Mr. FLYNT. Would you mind restating for the record at this point what your judgment was at that time, Mr. Abrams?

Mr. ABRAMS. My judgment was, after talking to both Harry Fleischman, the president of EPI, and Steve Carlin, the executive producer, that there could have been an accident occurring whereby a warmup question later could have been used on the show, on the basis that this was the first time that it had occurred in roughly 3 years of broadcasting of the program.

Mr. FLYNT. Hindsight in this, as in anything else, is a lot more accurate than foresight? Looking back on it, was that incident not enough to put a person on guard as to what might be going on?

Mr. ABRAMS. Of course—

Mr. FLYNT. If the screening process involved a sort of playback of questions that had been asked during the screening process, then that more or less defined the real modus operandi of this thing?

Mr. ABRAMS. The only answer I can give you, Mr. Flynt, that even with that incident we presumed that the producers were not rigging or fixing the show by giving questions or answers. It was not until this Rev. Stony Jackson incident occurred that that hit home, as I say, with impact, that there was more here than met the eye.

Mr. FLYNT. There was actually, in point of revelation, very little if any difference between Mr. Brook's statement to you and what you read in the paper that Rev. Stony Jackson had said?

Mr. ABRAMS. I am sorry, I didn't get the first part of your question.

Mr. FLYNT. I mean Mr. Cohn, the content of Mr. Cohn's statement and the content of Reverend Jackson's statement were very similar, were they not?

Mr. ABRAMS. I don't believe that the Reverend Jackson got his answers in a warmup session. I believe, as I recall the article, that he received his answers and questions right in the office of the producer.

I think that was the difference.

But it was sufficient in my mind to establish that there was a parallel between these two incidents.

Mr. FLYNT. Do you attach any significance to the fact that the reason nothing was done when Mr. Cohn made his report, and the reason something was done shortly after Mr. Jackson made his report, was that publicity was given to the latter and not to the former?

Mr. ABRAMS. I think actually there was an additional factor in that around the same time, as I recall in point of time, the "Dotto" incident occurred.

Just putting one and one together, we could see that the same sort of misfortune that had befallen that show was about to hit us, too; and so we had better do something about it, and rather quickly.

Mr. FLYNT. In your opinion, if there had been no attendant publicity, with the public becoming informed as to what was going on, even with the Jackson incident, if that had been privately reported instead of publicly reported, do you think that anything would have been done to correct these deceptive practices?

Mr. ABRAMS. That is a difficult question to answer. I would like to establish first that we had already sold off the "Challenge" show or dispensed of it, to the Lorillard Co. So we had one less quiz show at the time the Stony Jackson incident occurred.

As far as the "\$64,000 Question," we were already sharing that with Lorillard in the Sunday-night-time period formerly occupied by the "Challenge."

So whereas we had quite a stake in the quiz market, that had diminished to the point of half a program.

I still believe that our action, recognizing that fraud had occurred, would have been to get rid of it. But we were still in an investigative phase, as I say, with CBS right after the Jackson incident.

Mr. FLYNT. When did you actually get rid of it? In November?

Mr. ABRAMS. Yes.

Primarily because in the meetings with CBS, first they felt they needed time to conduct a thorough investigation.

I had the impression that sort of a whitewash was occurring—that they were not ready to throw these shows off the air.

Then, finally, we had the producers to contend with because our contract stipulated that we would have to run through January.

So all of these factors combined to keep a show on the air, even though at that time we had the impression that something was going on behind the scenes.

Mr. FLYNT. Following that up rather closely, is it reasonable for us now to assume that if there had been no public disclosure and public proof, as distinguished from private disclosure and private proof, that there would have been a continual whitewash process and this thing would have continued to be swept under the table?

Mr. ABRAMS. My own guess, Mr. Flynt, is that other cases would have come to light. In my opinion today it was too big a thing for them to hide.

As I read today of the number of cases that were involved, then it just seems commonsense that these would have risen to the surface.

Mr. FLYNT. By this point?

Mr. ABRAMS. Yes.

Mr. FLYNT. Yes.

The fall of 1958, it had reached the point where it was impossible to further disguise it?

Mr. ABRAMS. Yes. I think these were the last desperate hours of the quiz show.

Mr. FLYNT. Thank you.

The CHAIRMAN. Mr. Moss.

Mr. Moss. Mr. Abrams, do you recall a gentleman by the name of Webb?

Mr. ABRAMS. Jim Webb, yes.

Mr. Moss. How many of these meetings did he attend?

Mr. ABRAMS. In my opinion, Mr. Webb attended at most a dozen meetings.

Mr. Moss. Was he a very active participant in the discussions which took place at these meetings?

Mr. ABRAMS. He was not very much of a participant at all. He was a very quiet observer at these meetings.

Mr. Moss. Was he consulted on matters of general program policy?

Mr. ABRAMS. Not to my knowledge.

Mr. Moss. What was his role?

Mr. ABRAMS. He was there as the president of the C. J. LaRoche agency, which was for a time the agency of record for the "\$64,000 Challenge." But the main activity as far as the program was concerned came from two individuals: Thomas Lewis, who was vice president of Television, or Mr. Hank Boorham, who preceded Lewis in that role. Mr. Webb for the most part just sat there.

Mr. Moss. He just sat there.

Did Mr. Foreman attend many of these meetings?

Mr. ABRAMS. Yes, Foreman attended, I would have to say, at least a hundred meetings.

Mr. Moss. The majority of the meetings?

Mr. ABRAMS. Yes, that is correct.

Mr. Moss. Was he an active participant in the discussion?

Mr. ABRAMS. Yes. Foreman was a very active participant.

Mr. Moss. When you discussed contestants, was this a minor or a major part of the schedule of these meetings?

Mr. ABRAMS. I would say that it occupied at least one-third or more of the meeting. It would vary from week to week depending on what problems were before us.

An entire meeting, for example, might almost be devoted completely to ways and means of improving the show and not really dwell on contestants, but on some promotional device and some change of format to improve the show.

Mr. Moss. When hope was expressed that a contestant would either continue or be eliminated from the program, was it casually or emphatically expressed, as a rule?

Mr. ABRAMS. Only one emphatic recollection stays in my mind and that was a statement made at one of the meetings: "There must be some tough question that you can find to get this contestant off the show." I am not sure today whether I said it or someone else said it, but I do remember that statement. Many of these meetings were pretty hectic meetings.

Mr. Moss. That is why I asked whether these suggestions were casual. I seem to gather the impression that these were sort of bare-knuckle sessions on occasion.

Mr. ABRAMS. Some rather interesting language was used, yes.

Mr. Moss. Unusual language?

Mr. ABRAMS. Not for polite society.

Mr. Moss. You would not want to use it on the witness stand?

Mr. ABRAMS. I prefer not to. My daughter might be listening.

Mr. Moss. Then the suggestions were rarely just casual?

Mr. ABRAMS. Yes, they were emphatic.

Mr. Moss. They were emphatic suggestions?

Mr. ABRAMS. Yes.

Mr. Moss. When there was disagreement, was this pursued emphatically?

Mr. ABRAMS. Yes, there were violent arguments between the producers and the sponsor and the agencies at these meetings.

Mr. Moss. There was an insistent attitude on the part of the sponsor on occasion?

Mr. ABRAMS. Yes. I think it helps if I can occasionally throw in an example for you.

Mr. Moss. I think it does, too.

Mr. ABRAMS. There was a period in which a series of middle-aged men followed another on the program and we resented this severely because our market for cosmetics was not middle-aged men. So we suggested that there must be some interesting female contestant or even a child that they could throw into the lineup of contestants. So that a matter of that sort would provoke quite violent discussion.

Mr. Moss. But the judgment of the sponsor usually prevailed as a result of the meetings? The results usually followed his recommendations?

Mr. ABRAMS. I would say for the most part.

Mr. Moss. For the most part?

Mr. ABRAMS. Yes.

Mr. Moss. You used the word "rigging" or "fixing" in connection with the two cases which came to our attention?

Mr. ABRAMS. Yes.

Mr. Moss. Mr. Cohn and Rev. Stony Jackson. You regarded rigging or fixing as the actual giving the question or answer?

Mr. ABRAMS. Yes. I separate that from control in that way.

Mr. Moss. But you clearly understood and you assumed all others of equal intelligence understood that a control was definitely exercised?

Mr. ABRAMS. Yes.

Mr. Moss. There would have been no other purpose in discussing the desirability of keeping or eliminating the contestants, would there?

Mr. ABRAMS. You are quite correct.

If we had no say in the destiny of a contestant, there would have been no point to even bring up the contestants on the show or the ratings of those contestants.

Mr. Moss. Now, in the writing or preparation of questions, what was your understanding as to who had responsibility for the drafting of questions?

Mr. ABRAMS. We were always told that those questions were prepared by Dr. Bergen Evans of Northwestern University.

Mr. Moss. In their final form?

Mr. ABRAMS. Yes, and that no member of the production staff actually wrote questions; that they merely screened contestants or selected contestants. But that the actual bringing of the question was left to Dr. Evans.

Occasionally when he did not know a subject, for example, boxing, they might bring in an expert in that field to help prepare the questions.

Mr. Moss. The credit line on the program, as I recall, stated that the questions were supervised by Dr. Bergen Evans.

Mr. ABRAMS. I think that was probably so to cover a case where he might not directly write the question.

Mr. MOSS. So it was not exclusively his—

Mr. ABRAMS. I am certain it was not.

Mr. MOSS. Responsibility?

Mr. ABRAMS. I know as a matter of fact that they had stated on various occasions that they had called in an expert in the field of art to help Dr. Bergen Evans prepare the question.

Mr. MOSS. Was it generally understood in these meetings that warmup questions were given or used with the contestants prior to their appearance?

Mr. ABRAMS. Frankly, I didn't know about the warmup procedure until the show had been on the air for a couple of years. Then the explanation given to me was that they had many nervous contestants and this was a way of putting them at ease when they actually appeared on the show.

Mr. MOSS. So that this phase of it had not been discussed in the meetings?

Mr. ABRAMS. No.

Mr. MOSS. How long have you been associated with either agency or sponsor end of the radio-television business?

Mr. ABRAMS. I first entered the field of advertising in 1936, so it is 23 years.

Mr. MOSS. Was the degree of control or supervision over programs exercised by Revlon unusual in your experience?

Mr. ABRAMS. It is quite unusual. The average sponsor does not get into a program as thoroughly as Revlon does.

Mr. MOSS. Do you feel that this active weekly supervision maintained very tight pressure on the producers of the show?

Mr. ABRAMS. Yes.

Actually, I believe the procedure is a good one. I think more sponsors and agencies should get into the act where their programs are concerned. Too many are prone to just leave the program and look at the ratings without trying to make their programs better.

Mr. MOSS. Of course, on that point you and I would disagree.

Mr. ABRAMS. This is quite a subject of argument in the advertising business.

Mr. MOSS. I realize that.

Do you feel that the pressure of the sponsor was persuasive with the producer?

Mr. ABRAMS. Yes. I think they were under considerable pressure just as I was under pressure from my superiors. High ratings was the objective and the only way to get that was to have good contestants that the public would want to tune back in each week to see.

Mr. MOSS. Which argument would you feel was the more persuasive, the implied threat of the sponsor to cease sponsoring or the threat of the producer to seek another sponsor?

Mr. ABRAMS. Of course, the "\$64,000 Question" was unique in that way.

As a general policy, living from 13-week cycle to 13-week cycle, the producer constantly is under the threat of losing his sponsor. The "\$64,000 Question" at its peak could have had any number of sponsors. So the producers—

Mr. MOSS. Was there great product identification in connection with the "\$64,000 Question"?

Mr. ABRAMS. Revlon had about 85 percent sponsor identification which is exceptionally high.

Mr. MOSS. That makes it difficult to sell a program?

Mr. ABRAMS. Except that the "\$64,000 Question" was salable even with that if merely as a spot carrier, just to give exposure of a commercial to a sponsor.

Mr. MOSS. Apparently from some of the stories we heard yesterday, that is true.

Mr. ABRAMS. Yes.

Mr. MOSS. While necessary to pay some very high prices.

That is all of my questions.

The CHAIRMAN. Mr. Mack?

Mr. MACK. Mr. Abrams, I want to use your word for rigging the show, and I think you said it was "control"; is that correct?

Mr. ABRAMS. I have tried to differentiate between control and rigging by expressing it this way: That control was where they screened the contestant and determined how much knowledge they have or what their weak or strong areas might be, and then prepare their questions accordingly.

Rigging and fixing I distinguish as actually giving the questions or the answers to the contestant.

Mr. MACK. I know you indicated in your statement that the public understood that you could ask a tough or easy question; is that correct?

Mr. ABRAMS. Yes, sir.

As a matter of fact, I have been testing it out this week with the public by merely asking, what you call the man on the street, did you always feel that a tough or easy question could be given the contestant by the producers? Invariably I get the answer "Yes."

Mr. MACK. Did you conduct such a poll at the time the "\$64,000 Question" was at its peak, Mr. Abrams?

Mr. ABRAMS. I never felt it was necessary.

Mr. MACK. Do you not think it would have been a little more accurate at that time than it would be now?

Mr. ABRAMS. We were conducting many polls to find out what categories were of interest to the public and what contestants they had found most interesting and even how they felt about the MC and announcer on the show.

Mr. MACK. Why do you feel that you can maintain such a tremendous interest in this program if the people knew that it was rigged?

Mr. ABRAMS. I want to make sure that I follow your question.

Mr. MACK. Let me say control. Excuse me, control?

Mr. ABRAMS. How could we be sure the public would maintain an interest if they knew it was rigged?

Mr. MACK. You said from your statement today, I believe, that you understood that the public knew that you could ask a tough or easy question.

Mr. ABRAMS. Yes.

Mr. MACK. That is control?

Mr. ABRAMS. I don't think the public looked at it that way.

Again I want to make the point that as far as the public was concerned, and even myself, if a contestant appeared on the category of art, about which I know very little, I could not tell the difference between a tough or easy question.

But I am sure that the public was much more interested in seeing an interesting contestant rather than a dull contestant.

Mr. MACK. As a matter of fact, Dr. Evans knew that you were doing this, did he not?

Mr. ABRAMS. I have never met Dr. Evans, so I do not know.

Mr. MACK. As a matter of fact, Dr. Evans did not prepare the questions and did not personally deposit them in the Manufacturer's Trust Bank, as you had indicated on your program; is that not true?

Mr. ABRAMS. Actually, I have no knowledge of this because we were never privy to the procedures that were going on behind the scenes at the producer's office. We knew nothing, actually, about Evans and his methods of preparing a question or delivering a question, or what the Manufacturer's Trust Co. actually did with the questions.

At one point when this World Telegram and Time magazine article appeared, our public relations representatives brought to our attention that Bill Ewal, of the United Press, conducted his own investigation and was satisfied.

That, in turn, satisfied us that it was conducted legitimately.

Mr. MACK. That is a great tribute to the United Press, is it not?

Mr. ABRAMS. No comment.

Mr. MACK. Did Dr. Evans, to the best of your knowledge, ever complain about his questions being changed by Miss Bernstein or Mr. Koplin?

Mr. ABRAMS. If he did it never reached my attention because I have never talked to Dr. Evans.

Mr. MACK. You are aware and you have heard the testimony that these questions were changed at a very late hour and they dashed madly down so they could stick them in the vault before they could draw them out and use them on the program.

Mr. ABRAMS. I did read that. I can partially understand that because they go back to some of our meetings there with last minute changes of contestants which meant that they had to get Dr. Evans to suddenly write some questions.

Mr. MACK. Do you think that Dr. Evans wrote the questions at the last minute?

Mr. ABRAMS. That is still my understanding, that he wrote them.

Mr. MACK. The questions were changed by Mr. Koplin, at least; is that correct?

Mr. ABRAMS. I never knew that.

Mr. MACK. I believe we had testimony which indicated that the questions at the last minute had been changed.

On some occasions he had cleared them with Dr. Evans.

Mr. ABRAMS. I read that in the paper.

Mr. MACK. With that understanding I would think that Dr. Evans could not argue that he was not aware of the procedure being used on this program.

Mr. ABRAMS. I should think he would know the procedure.

Mr. MACK. Thank you very much, Mr. Chairman.

The CHAIRMAN. Mr. Goodwin.

Mr. GOODWIN. Mr. Abrams, I would like to clarify for 1 minute a rather special use of the words "tough or easy questions."

You testified that in your affidavit you did know that through intensive preliminary screening the producers found out what a contestant knew and asked them about it. Is that statement correct?

Mr. ABRAMS. Yes; that is correct.

Mr. GOODWIN. By that you meant that they explored a contestant's knowledge very intensively to discover in what particular areas of his category he was an expert and in which particular areas he was not an expert; is that correct?

Mr. ABRAMS. Yes; that is right.

Mr. GOODWIN. Although he was represented on the program as being an expert in the category as a whole; is that correct?

Mr. ABRAMS. Yes. I can remember when art was a category, and I really can't separate whether it was Vincent Price, Edward G. Robinson, or Billy Pearson, but they mentioned at that time that one of these contestants was particularly strong in Far Eastern art.

Mr. GOODWIN. You were aware of this very early in the life of the show, were you not?

Mr. ABRAMS. Yes.

Mr. GOODWIN. And you were aware that however intensive this screening was it did result in the desire to control contestants as expressed at these meetings with a high degree of accuracy, were you not?

Mr. ABRAMS. The answer to that is "Yes."

Mr. GOODWIN. When you read these articles in Time magazine in early 1957, and the World-Telegram, the fact that programs were thoroughly controlled—I think they said everything short of collusion with the contestants was done on these programs—were you approached by any representative of any network or any governmental agency to inquire if these stories were true or accurate?

Mr. ABRAMS. No; I was not.

Mr. GOODWIN. You testified that in the meetings dealing with the Cohn-Springer affair or Stony Jackson, you had the feeling that the meetings were an attempt, in your words, to whitewash the affair.

What gave you this impression?

Mr. ABRAMS. Because nothing seemed to be happening. We had presented not only Mr. Cohn's incident, but a letter that he had circulated to many of his friends which was rather detailed, and now they had the Stony Jackson incident and still the show continued and we had a difficult time working our way out of the contract with Entertainment Productions, Inc.

In fact, we had to pay a penalty.

Mr. GOODWIN. Were representatives of the Columbia Broadcasting System present at this meeting?

Mr. ABRAMS. Yes.

At one meeting, which I attended, there were at least four representatives of CBS.

Mr. GOODWIN. And this meeting was part of the meetings which you, yourself, used the term "attempt to whitewash"?

Mr. ABRAMS. "Whitewash" is a severe term. I would say the expression "dragging their feet" is a better version.

Mr. GOODWIN. You did not have the impression that CBS was not concerned about it?

MR. ABRAMS. I am sure they were concerned, and they expressed concern, but nothing happened.

MR. GOODWIN. I have no further questions, Mr. Chairman.

THE CHAIRMAN. Mr. Abrams, thank you very much for your appearance down here today and you may be excused at this time.

MR. ABRAMS. Thank you.

THE CHAIRMAN. Mr. Levine.

You are Max Levine?

MR. LEVINE. Yes, sir.

THE CHAIRMAN. Do you solemnly swear that the testimony you will give this subcommittee to be the truth, the whole truth and nothing but the truth, so help you God?

**TESTIMONY OF MAX LEVINE, ACCOMPANIED BY HIS COUNSEL,
ALAN Y. COLE AND J. HOWARD McGRATH**

MR. LEVINE. I do.

THE CHAIRMAN. Have a seat.

State your name for the record, please, sir.

MR. LEVINE. My name is Max Levine.

THE CHAIRMAN. State your address?

MR. LEVINE. 2923 Livingston Street, Allentown, Pa.

THE CHAIRMAN. What is your business, profession, or occupation?

MR. LEVINE. I am employed as public relations manager at Hess' Department Store in Allentown, Pa.

THE CHAIRMAN. We understand, Mr. Levine, that you could supply certain information in more detail which Mr. Hess was not able to supply to the subcommittee last night.

MR. LEVINE. To the best of my ability and recollection, sir.

THE CHAIRMAN. Mr. Lishman, you may proceed.

Let the record show that Mr. Levine is accompanied by counsel to advise him of his constitutional rights as provided by the rules of the House.

I think it would be appropriate for you to identify yourself for the record.

MR. COLE. I am Alan Y. Cole, attorney at law, Washington, D.C.

I would like the record to show also that Mr. J. Howard McGrath, who is present here in the room today, is also counsel to Mr. Levine.

THE CHAIRMAN. Does Mr. McGrath wish to come around and sit here?

MR. McGRATH. It is all right, Mr. Chairman.

MR. LISHMAN. Mr. Levine, did you attend last night's session at which Mr. Hess testified?

MR. LEVINE. Yes, sir.

MR. LISHMAN. Were you instrumental in having Kenneth Hoffer placed on the television program, "\$64,000 Question"?

MR. LEVINE. I helped initiate the program which resulted in Kenneth Hoffer's being placed in the "\$64,000 Question."

MR. LISHMAN. Will you please state the circumstances leading up to your getting Mr. Hoffer on the "\$64,000 Question" as a contestant?

MR. LEVINE. Do you want this right from the beginning, Mr. Lishman?

MR. LISHMAN. Yes; I want to know how you happened to know Mr. Hoffer could and would be a contestant, and then I would like

to find out the measures that were taken by you and others to get him on the program.

Mr. LEVINE. Yes, sir.

Mr. Hoffer was employed at Hess' as a buyer of men's accessories, fashion accessories. He had on his own initiative made application to the "\$64,000 Question" to become a contestant. He made this fact known to me and to several others at Hess'. He one day told this fact to Mr. Hess and told Mr. Hess that he had received a card from the "\$64,000 Question."

Mr. Hess immediately directed him to see me. When Mr. Hoffer saw me and showed me this card, as I can recall, it appeared to me to be the kind of form card that probably thousands of other contestants had been receiving. I believe I reported this to Mr. Hess and he said, "Well, if this boy wants to get on the '\$64,000 Question,' let us see if we can help him. Will you look into the matter?" I said I would.

I then made several telephone calls to New York City, where we employed various public relations specialists and counselors. As a result of these calls, on or about the 2d day of August of 1955, I took Mr. Hoffer and another buyer of Hess', David Gottlieb, into New York.

At one of our stops at the office of Gertrude Bayne, who was then employed by Hess as one of the public relations specialists, her office at that time was located at 471 Park Avenue—it was there that I discussed the situation concerning Mr. Hoffer. Here was this young man who had made an effort to get on the "\$64,000 Question" on his own and had been unable to make any headway.

She thereupon said that she would place a call to the Cowan agency and would see if she could arrange for an interview with this young man on the premise that here was a young man, coming from Pennsylvania, he was in New York at the time, and that he was running back and forth trying to find out what had happened to his letter of inquiry. It was on that basis that an appointment for an interview at the Cowan agency was arranged.

I checked in with several other public relations offices where we had various projects going. I also checked with Miss Bayne on other projects which we were undertaking at the time with her and with other of our public relations agencies.

To the best of my recollection, I believe—and my memory is hazy here—I believe I went back to Allentown. I cannot recall at this time, though I have dredged my memory these last several days, whether I brought Mr. Hoffer and Mr. Gottlieb back to Allentown with me, but I do know that Mr. Hoffer and Mr. Gottlieb did keep the appointment that had been arranged by Miss Bayne.

Mr. LISHMAN. Just a minute there.

Mr. LEVINE. Yes, sir.

Mr. LISHMAN. With whom at the Cowan agency was that appointment made?

Mr. LEVINE. I do not know, other than that Miss Bayne had made a call to some person at the Cowan agency. Who that person was, I, of my own knowledge, do not know.

Mr. LISHMAN. Weren't you told what person Mr. Hoffer should call upon at that agency?

Mr. LEVINE. I could very well have been told that, Mr. Lishman, but I am not too certain. I am willing to accept the facts as presented last night that the appointment could probably have been set up with Mr. Elroy Schwartz. Last night was the first I knew or could remember the name of Schwartz. In my memory I didn't know whether Schwartz was a woman or a man.

Mr. LISHMAN. Mr. Levine, who made this appointment with Mr. Schwartz or some other person at the agency?

Is it your testimony that that appointment was made for Mr. Hoffer by Miss Gertrude Bayne?

Mr. LEVINE. It was made by Miss Bayne for Mr. Hoffer.

Mr. LISHMAN. And by no one else?

Mr. LEVINE. To the best of my knowledge, no one else.

Mr. LISHMAN. Then what happened after this appointment had been made?

Mr. LEVINE. Again from my recollection, Mr. Gottlieb returned from New York City.

Mr. LISHMAN. Mr. Gottlieb at that time was an employee of the Hess Department Store? Is that correct?

Mr. LEVINE. Yes, sir.

Mr. LISHMAN. Very good.

Mr. LEVINE. May I inject at this point, Mr. Lishman, for the sake of the sequence of events here, that we went to New York City on the definite promise, and my impression, that somehow or other people could get on the "\$64,000 Question" through some influence.

Mr. LISHMAN. Through some influence?

Mr. LEVINE. Yes, sir. That as a result of this, when this appointment was set up, I directed Mr. Gottlieb to return to New York with Mr. Hoffer and to look over the situation, see what it looked like, talk to the person by whom Mr. Hoffer was being interviewed, and find out how much money these people would want to put Mr. Hoffer on the "\$64,000 Question."

Mr. LISHMAN. When did you find out how much money it would take to get Mr. Hoffer on this show?

Mr. LEVINE. Mr. Gottlieb returned to Allentown. He told me that they would not take one or two thousand dollars, that they demanded more money.

Mr. LISHMAN. Did he tell you how much more was demanded?

Mr. LEVINE. No; he did not.

Mr. LISHMAN. Did he tell you who made the demand of him for more money?

Mr. LEVINE. I do not recall whether he told me specifically who made the demand for the additional money. I do know——

Mr. LISHMAN. Did you report to Mr. Hess that it would take more than one or two thousand dollars to get Hoffer on the show?

Mr. LEVINE. I did.

Mr. LISHMAN. What did Mr. Hess tell you then?

Mr. LEVINE. He told me to make a phone call and find out what it would take.

Mr. LISHMAN. Did you make that phone call?

Mr. LEVINE. I made the phone call.

Mr. LISHMAN. To whom?

Mr. LEVINE. Now I believe this phone call was to Miss Bayne. But again there were so many activities going on at that time—this, if you please, happened more than 4 years ago and I have been desperately trying to refresh my memory on this thing.

Mr. LISHMAN. Yes, sir. Did you report to Mr. Hess that it was going to take \$10,000 in cash to get Mr. Hoffer on this show?

Mr. LEVINE. It was by virtue of this phone call from my office that I learned that the demand for this money was \$10,000.

Mr. LISHMAN. Did Mr. Hess then agree that he would pay the \$10,000 to get Mr. Hoffer on the show?

Mr. LEVINE. Mr. Hess agreed to the paying of this \$10,000. However, we were disagreeable to the idea of making the full payment in advance with no certainty that Mr. Hoffer would be on the show.

Mr. LISHMAN. How did you take care of that contingency?

Mr. LEVINE. Mr. Gottlieb went back to New York City.

Mr. LISHMAN. Was Mr. Gottlieb following the instructions of Mr. Hess?

Mr. LEVINE. He was following either Mr. Hess' instructions or my instructions. I, after all, was in charge of the public relations department. Mr. Hess has the overall charge of this department store employing over 1,200 people.

Mr. LISHMAN. Yes, sir; we have heard that. What I am trying to find out is, did Mr. Gottlieb then, pursuant to your instructions or Mr. Hess' instructions, take \$5,000 in cash to New York City from Allentown?

Mr. LEVINE. This is not quite the sequence. Mr. Gottlieb went to New York and met with Mr. Elroy Schwartz and a person by the name of Joseph Cates—again, these are names and merely names to me—in which he discussed the fact that Hess' was prepared to pay \$10,000.

Mr. LISHMAN. Then what happened?

Mr. LEVINE. Mr. Gottlieb returned to Allentown and told me that it was agreeable to these people and that we would be able to get Mr. Hoffer on the show.

Mr. LISHMAN. Did there come a time on August 9, when Mr. Gottlieb finally made another trip back to New York with \$5,000 cash given to him by Mr. Hess?

Mr. LEVINE. I am not sure of the date. I am willing to accept the testimony that Mr. Gottlieb made here last night.

Mr. LISHMAN. That is what he stated?

Mr. LEVINE. Yes.

Mr. LISHMAN. All right.

Did you know that Mr. Gottlieb was taking this \$5,000 in cash on this date?

Mr. LEVINE. Yes.

Mr. LISHMAN. For the purpose of getting Mr. Hoffer on the show?

Mr. LEVINE. Yes.

Mr. LISHMAN. Did you accompany him on this trip?

Mr. LEVINE. No, sir.

Mr. LISHMAN. Then did Mr. Gottlieb report back to you or Mr. Hess that he had delivered the \$5,000 to the person that would get this Mr. Hoffer on the show?

Mr. LEVINE. Yes.

Mr. LISIMAN. When did he make such a report?

Mr. LEVINE. The day after Mr. Hoffer had appeared on the show.

Mr. LISIMAN. In other words, on the very same day the \$5,000 in cash of Mr. Hess' money was delivered by Mr. Gottlieb to Mr. Elroy Schwartz, Mr. Hoffer appeared on the show?

Mr. LEVINE. Yes.

Mr. LISIMAN. On that show did he give some "plugs" for Hess Department Store and Allentown, Pa.?

Mr. LEVINE. This I would not call a "plug." To the best of my knowledge, he merely identified himself as a buyer at Hess' in Allentown.

Mr. LISIMAN. Mr. Hess testified he thought it was a terrific success and a wise expenditure of \$10,000 to get this. Do you disagree with Mr. Hess?

Mr. LEVINE. I am not disagreeing with Mr. Hess, Mr. Lishman. I said that this is not considered a plug as such, because Mr. Hoffer was legitimately employed by Hess Bros. and he legitimately identified himself as an employee of Hess Bros. when he was questioned by Mr. Hal March on this show.

Mr. LISIMAN. Why did Mr. Hess in the first place agree to put up \$10,000 to have Mr. Hoffer appear on the program?

Mr. LEVINE. We hoped that this is what the sequence of events would be: that Mr. Hoffer, when he would be interviewed before the television audience, would be asked his employment.

Mr. LISIMAN. Now, subsequent to his appearance on the program, do you have any knowledge as to whether the remaining \$5,000 in cash was paid over to the person connected with this program?

Mr. LEVINE. I have this knowledge: that on Wednesday, the day after the show, Mr. Gottlieb returned from New York City to report that the money had been paid, the mission accomplished, because Mr. Hoffer was on the show.

Incidentally, Mr. Lishman, if I may backtrack for just one moment concerning the mention of Hess on that show, If Mr. Hal March, the interviewer, had not asked Mr. Hoffer his employment, Hess Bros. would not have been mentioned and we would have still paid \$5,000.

Mr. LISIMAN. So the other \$5,000 was contingent upon having Mr. Hal March permit Mr. Hoffer to make a plug or to make a reference to the Hess store?

Mr. LEVINE. No, sir.

Mr. LISIMAN. To make a reference to the Hess Department Store?

Mr. LEVINE. No, sir, Mr. Lishman.

The only reason for the payment was to get Mr. Hoffer on the "\$64,-000 Question" as a contestant, that here was this young man eager to go on before this great television audience, that he had been eagerly seeking this on his own initiative, and that all we were doing was trying to make it possible for him to have this opportunity.

Mr. LISIMAN. In other words, you were engaged in a philanthropic enterprise as far as Mr. Hoffer is concerned?

Mr. LEVINE. Yes, sir; if you want to put it that way.

Mr. LISIMAN. If you were so philanthropic, why did you fire him on Christmas Eve?

Mr. LEVINE. I did not fire him.

Mr. LISHMAN. I just don't understand this, frankly, Mr. Levine.

Mr. LEVINE. I believe, Mr. Lishman—

Mr. LISHMAN. Is it a fact that \$10,000 was paid either to Mr. Elroy Schwartz or someone connected with his program in return for which Mr. Hoffer appeared as a contestant on the show?

Mr. LEVINE. Yes, sir.

Mr. LISHMAN. And that was cash money delivered at Mr. Hess' instructions by Mr. Gottlieb as he testified here last night?

Mr. LEVINE. Yes, sir.

Mr. LISHMAN. I have no further questions, Mr. Chairman.

The CHAIRMAN. Mr. Levine, you say you are the public relations director?

Mr. LEVINE. Manager; yes, sir.

The CHAIRMAN. Mr. Hess last night was very frank and seemed to be quite proud of the fact that this was done because he could get a "plug" for Hess' Department Store, No. 1, and Allentown, Pa., No. 2.

Mr. LEVINE. Yes, sir.

The CHAIRMAN. He said that he got it and he thought it was a good "plug" and the money was well spent and he was highly satisfied.

Mr. LEVINE. That he did say.

The CHAIRMAN. Do you agree with that?

Mr. LEVINE. Oh, yes. In the light of what has developed now, I probably may not agree.

The CHAIRMAN. Mr. Bennett, do you have any questions?

Mr. BENNETT. Yes, Mr. Chairman. Were you here when Mr. Hess testified last evening?

Mr. LEVINE. Yes, sir; Mr. Bennett.

Mr. BENNETT. He said you were his records keeper and his disbursing officer in this business of getting on programs without being identified as a sponsor. He said there were a number of them. He said he could not remember any specific ones. He said you would remember and would tell us about them.

Will you give us the names, amounts, and programs in regard to which you made payments similar to this deal you had on the "\$64,000 Question"?

Mr. LEVINE. As I recall, Mr. Bennett, this paper that I have here was given to this subcommittee last night.

Mr. BENNETT. It was given to the subcommittee?

Mr. LEVINE. It was on Mr. Kelly's or Mr. Lishman's desk and some names were used from this list.

Mr. BENNETT. Names of what?

Mr. LEVINE. This merely covers—

Mr. BENNETT. I did not understand what you said.

Mr. LEVINE. Some names were used from this list last night.

If you are referring to this list, I am prepared to tell you about that. If you are referring to the fact that Hess' has received mention on various television shows, I am prepared to tell you of some of them. I can't recall all of them. I would need my scrapbook; I would need some more recollection.

Mr. BENNETT. What do you have on this list?

Mr. LEVINE. This list shows July 1955, August 1955, September 1955.

Mr. BENNETT. Shows what?

Mr. LEVINE. Public relations expense paid. Now last night a couple of names—

Mr. BENNETT. Paid for what?

Mr. LEVINE. Paid, sir.

Mr. BENNETT. Paid for what? For what purpose?

Mr. LEVINE. For public relations expenses of various kinds and services.

Mr. BENNETT. I am speaking now about payments that Mr. Hess was talking about last night to get his name mentioned on shows similar to the method that he employed to get his name on the "\$64,000 Question." I want to know the names of those shows and the amounts of money that were paid under the circumstances.

Mr. LEVINE. We used and were called in at times by various public relations people, by people associated with various television shows, to assist and cooperate in producing things, merchandise, or people from our store who could be on a television show and could be of interest to the television audience.

Mr. BENNETT. I am not speaking of a television or radio show where the Hess Co. appeared as the sponsor and was announced as the sponsor of the show and for which you paid the radio station or the television station producer and which was a regular business transaction.

I am not talking about that kind of thing. Do you understand what I mean?

I am talking about what Mr. Hess indicated here last night of similar arrangements that he had made with other television and radio programs where he was not a sponsor, but where, through the payment of a certain amount of money, he was able to manipulate the name of his store on the show. Is that clear to you?

Mr. LEVINE. Yes, I believe it is, Mr. Bennett.

Mr. BENNETT. All right, tell us about that. He said you have all the information and would give it to us. So go ahead and give it to us.

Mr. LEVINE. For instance, Mr. Hess had mentioned last night that he was on the Dunninger show. This was arranged by a public relations man in New York City who received payment for it.

Mr. BENNETT. How much?

Mr. LEVINE. I do not recall how much. I would need for that, Mr. Bennett, our store records.

I, of my own efforts, did not make these payments. These were legitimate transactions handled through our store bookkeeping services. Bills were rendered and checks were mailed.

Mr. BENNETT. But these were not shows that were sponsored by you?

Mr. LEVINE. No, sir.

Mr. BENNETT. It was money that you paid some public relations man who arranged through the producer to get the name of the Hess store mentioned on the show?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. Not as an advertiser, not as a sponsor, but just to get it mentioned on the program?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. Were those kind of expenses charged to your regular advertising account at the store?

Mr. LEVINE. They are charged to what we call publicity and promotion. For instance, we were on the "Dave Garroway" day show with some fashions. We got a mention on the "Person to Person" show. We got a mention on the "Tonight" show. We got a mention on dozens of shows, Mr. Bennett, and it would require going back into the records.

Mr. BENNETT. Did you pay for these?

Mr. LEVINE. We paid public relations firms or specialists or agencies that do nothing else but arrange for such appearances or the product or getting the mention on the show.

Mr. BENNETT. How much did you pay the "Today" program to get your name on that?

Mr. LEVINE. Offhand, I cannot recall. I do not have those records before me, Mr. Bennett.

Mr. BENNETT. How long ago was this?

Mr. LEVINE. I would hesitate to set a date, Mr. Bennett. I cannot pinpoint these dates.

Mr. BENNETT. Was it in the last year or 2 years or 3 years?

Mr. LEVINE. We were on the "Today" show with Hawaiian fashions, I believe, sometime this year.

Mr. BENNETT. You paid a public relations man to arrange that?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. Was it announced on the show that you were an advertiser and sponsor of the program?

Mr. LEVINE. No, sir.

Mr. BENNETT. You did not pay the producer of the show? You paid a public relations man?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. Do you know who he was?

Mr. LEVINE. Yes.

Mr. BENNETT. Do you know his name?

Mr. LEVINE. That was Gino di Grandi.

Mr. BENNETT. Where is he?

Mr. LEVINE. New York City.

Mr. BENNETT. You mentioned another show besides the "Today" show. Do you know who Mr. di Grandi had to pay to arrange this?

Mr. LEVINE. No, I do not.

Mr. BENNETT. Do you know whether he had to pay anyone?

Mr. LEVINE. This I do not know. All I know is that we paid Mr. di Grandi.

Mr. BENNETT. You do not have any idea what you paid him?

Mr. LEVINE. No, sir; I do not know.

Mr. BENNETT. Was it a substantial amount? Would it have been \$1,000 or \$5,000 or \$10,000? Was it a smaller sum than that?

Mr. LEVINE. It was a smaller amount, somewhere around the thousand-dollar bracket. This I am not sure of and I would not want this to be my truthful statement.

Mr. BENNETT. But you have that in your records and that was an expense—an advertising expense—that you charged to your regular store account?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. You would be able to get the information and supply it to the subcommittee?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. Would you do so?

Mr. LEVINE. I would be happy to do so.
(Information referred to follows:)

1955

Amount	Public relations agency	Address	Purpose
\$460	Gertrude Bayne	117 West 58th St., New York City.	Ted Mack's "Amateur Hour."
5,000	do	do	Arranging TV interview of K. Hoffer, "\$64,000 Question" and magazine project
500	Bert Nevins, Inc.	527 Madison Ave., New York City.	Placement of Hess Bros. bridal consultant on Herb Shriner's "Two for the Money" show.
500	do	do	Jackie Gleason's TV show featuring the Dorsey Brothers.
500	do	do	2d placement "Two for the Money" Herb Shriner's TV show.
500	do	do	Steve Allen show "Tonight."
500	do	do	Do.
500	do	do	"Break the Bank" show.
500	do	do	Steve Allen show "Tonight."
250	do	do	Do.
500	do	do	Bert Park's show "Break the Bank."
500	do	do	"Make the Connection."
500	do	do	"Truth or Consequences."
500	do	do	"Musical Chairs."
500	do	do	"Make the Connection."
500	do	do	"The Soldiers."
500	do	do	"Arthur Godfrey Show."
500	do	do	"Perry Como Show."
500	do	do	Steve Allen show "Tonight."
500	do	do	"Life Begins at 80."

1956

\$500	Bert Nevins, Inc.	527 Madison Ave., New York City.	Steve Allen show "Tonight."
500	do	do	"Going Places."
1,000	Joseph Jordan	65 East 55th St., New York City.	Dunninger show.

1958

\$500	Paul Mosher	15 East 40th St., New York City.	"Price is Right."
500	do	do	Do.
500	do	do	"Name That Tune."
600	do	do	Do.
600	do	do	"Dick Clark Show."

1959

\$1,000	Gino diGrandi Associates	527 Madison Ave., New York City.	"Person to Person."
600	Paul Mosher	15 East 40th St., New York City.	"Name That Tune."
600	do	do	"Naked City."
600	do	do	"Name That Tune."
600	do	do	"Naked City."
600	do	do	"Name That Tune."
600	do	do	Do.
600	do	do	Do.

HESS',
Allentown, Pa., December 10, 1959.

From the office of controller.

This is to certify that the undersigned is the controller of Hess' Department Store. He is familiar with the books of account and records of Hess', he has examined the said records of Hess', the two lists annexed thereto, together, are true, complete and accurate statements of all payments made by Hess' to public relations agencies for mention of the Hess name on TV or radio programs, appearances by anyone on behalf of Hess' upon TV or radio programs in which Hess' Department Store was referred to or named and TV newsrei coverage of Hess' sponsored events, during the years 1955 through 1959, all as shown by said records and, to the best of his knowledge, there were no payments made by Hess' for such purposes which do not appear upon the said records of Hess' Department Store.

ROY J. HERTZ.

Mr. BENNETT. You named one other one.

Mr. LEVINE. The "Person to Person" show.

Mr. BENNETT. When were you on that?

Mr. LEVINE. Sometime this year.

Mr. BENNETT. Did you make the same kind of arrangement through a public relations man?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. Who was he?

Mr. LEVINE. Again it was Mr. di Grandi.

Mr. BENNETT. The same man that got you mention on the "Today" show?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. You do not know how he did it or who he made his arrangements through or how much he paid to have it done? All you know is that you gave him a certain amount of money?

Mr. LEVINE. That is right.

Mr. BENNETT. Did you pay him more to get on the "Person to Person" show than you did on "Today"?

Mr. LEVINE. No, sir.

Mr. BENNETT. About the same amount?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. You think that was around a thousand dollars?

Mr. LEVINE. Somewhere around that figure.

Mr. BENNETT. What other program?

Mr. LEVINE. We have been on the "Garry Moore Show" with one of our buyers, a buyer of exotic foods, who showed some fried caterpillars and fried worms and other things. This was considered an interesting personality who could discuss the fact that at Hess Bros. we had a grocery department, a gourmet department that featured exotic foods, including chocolate-covered eggs, fried bumble bees, and a variety of other exotic foods.

Mr. BENNETT. Did you consider that this kind of advertising was helpful to the store?

Mr. LEVINE. This was to help create a favorable atmosphere of publicity for Hess Bros., to let the public be aware of the fact that in Allentown, Pa., there was an aggressive department store doing a tremendous volume of business.

Mr. BENNETT. And a very unique type of business?

Mr. LEVINE. Sir?

Mr. BENNETT. And very unique if you fry bumble bees and worms.

Mr. LEVINE. This is just 1 facet of 200-some departments in our store.

I don't mean to be facetious, Mr. Bennett.

Mr. BENNETT. What other shows did you get on?

Did Mr. di Grandi make arrangements for other shows?

Mr. LEVINE. Sir?

Mr. BENNETT. Did Di Grandi make arrangements for other shows for you?

Mr. LEVINE. No; he didn't. Those were the only two in which he was concerned. We had others.

Mr. BENNETT. Name some others?

Mr. LEVINE. Sir?

Mr. BENNETT. Name some of the others.

Mr. LEVINE. The other shows?

Mr. BENNETT. The other shows.

Mr. LEVINE. The other shows?

We were spotted, one of our trucks was spotted in a filmed portion of a television show with the locale in New York City. There was just a fleeting glimpse of one of our trucks in that scene in New York City.

Mr. BENNETT. What show was that?

Mr. LEVINE. I think the name of that show was "Night Beat".

Mr. BENNETT. "Night Beat"?

Mr. LEVINE. I do not remember. I believe that was the name of the show. I am not too sure.

Mr. BENNETT. A television show originating in New York?

Mr. LEVINE. Yes, sir. This was a filmed show.

Mr. BENNETT. Whom did you pay to get on that program?

Mr. LEVINE. Again, Mr. Bennett, I would have to go back to our records. We have used so many people.

As a matter of fact, Mr. Bennett, despite the fact that Mr. Hess had been served with a subpoena on this thing, as late as Friday we received a telephone call, did we want a plug on the "Arthur Murray Show."

Mr. BENNETT. Who did you get that call from?

Mr. LEVINE. This came from some public relations person and it was relayed to me. Somebody in the office had taken this. This was the request.

Mr. BENNETT. Did they say how much it would cost?

Mr. LEVINE. No. No; because we didn't pursue it any further.

Mr. BENNETT. You feel you have had enough of this type of show for the time being?

Mr. LEVINE. I would think for the time being we would like to relax.

Mr. BENNETT. Can you name any others now—bigger shows?

Mr. LEVINE. Mr. Bennett, this program goes over a period of almost 10 years.

Mr. BENNETT. This same kind of a thing?

Mr. LEVINE. Yes. Radio and television.

Mr. BENNETT. Of your paying public relations people?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. These public relations people arranged for you to get on the show. Did you contact the producer or the sponsor?

Mr. LEVINE. We did not contact these.

Mr. BENNETT. You were not advertised on the program as being a sponsor?

Mr. LEVINE. No, sir.

Mr. BENNETT. Or as having paid for the privilege of being on?

Mr. LEVINE. No, sir.

Mr. BENNETT. This goes back over a 10-year period?

Mr. LEVINE. It would be over a 10-year period.

Mr. BENNETT. Was most of this on television or was it divided between TV and radio?

Mr. LEVINE. It was divided. It was radio until the time that TV became more the dominant communications medium.

Mr. BENNETT. Then mostly television?

Mr. LEVINE. Sir?

Mr. BENNETT. And since then mostly television?

Mr. LEVINE. And newspaper columns. We had used public relations people and others to help us get favorable mention in newspaper columns throughout the country.

Mr. BENNETT. You paid newspaper columnists to give you favorable mention?

Mr. LEVINE. We paid public relations people to help us get mention.

Mr. BENNETT. Will you name some of the columns?

Mr. LEVINE. Some of the columns?

Mr. BENNETT. Yes. And name the public relations men whom you paid.

Mr. LEVINE. The name of Bob Considine was mentioned here last night. Bob Considine visited the store at the invitation of Miss Gertrude Bayne, whose name has been mentioned here before. He in turn visited the store and then he wrote a story about it.

Stanton Dell came—

Mr. BENNETT. How much did that cost you?

Mr. LEVINE. This indicates that we paid Mr. Considine \$1,000 for visiting our store.

Mr. BENNETT. Did you pay him or pay some public relations man?

Mr. LEVINE. This we paid to Mr. Considine.

Mr. BENNETT. Who are some of the other columnists?

Mr. LEVINE. I must start thinking about the columnists now.

(Mr. Levine consulted his attorney.)

The CHAIRMAN. Are there any further questions?

Mr. BENNETT. I did not get the answer to the last one.

Mr. LEVINE. May I have the question repeated?

Mr. BENNETT. Name some of the other columnists.

Mr. LEVINE. Our name has appeared in Hal Boyle's syndicated column over the Associated Press wires.

Our name has appeared in Earl Wilson's column.

Our name has appeared in—

Mr. BENNETT. Read the list. Is that the list?

Mr. LEVINE. No. This list does not cover that. This list indicates that we had some public relations men at the time who were engaged in helping us.

Mr. BENNETT. Could I see the list?

Mr. LEVINE. Surely.

Mr. BENNETT. You go ahead and answer the question.

The CHAIRMAN. Will the gentleman yield?

Mr. BENNETT. Yes, sir.

The CHAIRMAN. I wonder if we could not expedite this by asking you, Mr. Levine, if you would not submit a list prepared from your records, to this subcommittee with reference to the payments you made to public relations people to get on whatever show they arranged for you and the amounts covering the last several years.

Mr. LEVINE. We will be happy to do so.

The CHAIRMAN. Will you do that for us?

Mr. LEVINE. Yes, sir.

The CHAIRMAN. It seems to me that you said here this was not the form of advertising.

Mr. LEVINE. This was known as publicity and promotion. It was part of the public relations program.

The CHAIRMAN. In which this method was being used to utilize the broadcasting facilities of this Nation. It seems to me this might very well have been the same kind of racket that we developed a year ago in connection with so-called public relations and influence peddling among the Federal regulatory agencies of the Government.

It seems to me that the broadcasting industry is being used in precisely the same way and we ought to know just what is going on.

Probably your information will help us to expand it further to see what is going on in this field.

With reference to the columnists, that gets into the newspaper business. Mr. Bennett can ask you about anything he desires, but I do not think we would ask you as a matter of complete record for that information.

Mr. BENNETT. I withdraw the question about the newspapers because I guess that is out of our field. The only reason I asked is because he volunteered. Is this list that you have handed me a list of payments to public relations people for getting in on the type of television show that you were talking about?

Mr. LEVINE. Not all of it, sir.

Mr. BENNETT. Not all of it?

Mr. LEVINE. No, sir.

Mr. BENNETT. Some of these are newspaper columnists?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. I know you have Bob Considine on here. You previously referred to him.

Mr. LEVINE. There is the name there of a public—

Mr. BENNETT. Could you read the names here that relate to your television programs? I will not read them because I do not know which is which.

Mr. LEVINE. I will try, Mr. Bennett.

Mr. BENNETT. Would you read this list and then give us the total amount that you spent for each radio and TV show for the 3 months listed? This is just 3 months in 1955, is it not?

Mr. LEVINE. Yes, sir.

Incidentally, during this period—

Mr. BENNETT. That is not all of them, for that period?

Mr. LEVINE. Incidentally, Mr. Bennett—

Mr. BENNETT. Just go ahead and read the ones that relate to TV and radio programs.

Mr. LEVINE. I would like to add just this one comment, Mr. Bennett. During this period of time we were an active sponsor of a television show on WRCV-TV in Philadelphia. We sponsored a guest interview type of show with Michael Ellis as the commentator.

Mr. BENNETT. That is perfectly proper and I do not have any questions to ask you about that.

Mr. LEVINE. As the result of that we have here expenditures for Mr. Harry Sobel.

Mr. BENNETT. I do not want any figures for the expenses of any regularly sponsored television show that your store put on where you were the sponsor. We are not interested in that—at least, I am not.

Mr. LEVINE. From this record I could not pick out any specific television plug as such, sir.

Mr. BENNETT. But you can furnish that information that the chairman mentioned?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. And you will furnish it to us?

Mr. LEVINE. Yes, sir.

Mr. BENNETT. How much do you suppose over the 10 years, in round figures, you have spent in this indirect fashion for getting plugs on radio and television programs where you were not the sponsor?

Mr. LEVINE. I would hesitate to hazard a guess.

Mr. BENNETT. Would it run into several hundred thousand dollars?

Mr. LEVINE. This is beyond my competence, Mr. Bennett.

Mr. BENNETT. You made all the arrangements. You must have some recollection?

Mr. LEVINE. I will get the records and we can total up the amounts.

Mr. BENNETT. Yes, I understand that. I just thought it would be interesting to get an approximation of what you spent over the years.

Mr. LEVINE. I wouldn't be able to give you that off the cuff.

Mr. BENNETT. It would run into a lot of money, would it not?

Mr. LEVINE. Yes, that it would.

Mr. BENNETT. I think that is all, Mr. Chairman.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS. Mr. Levine, did I understand you to say that your activities concerning the Hoffer boy were purely philanthropic?

Mr. LEVINE. No, sir.

Mr. ROGERS. Did you not say that you did not do that to get him on the show to plug his store or Allentown, Pa.? That you just wanted to help him out to get on the show.

Mr. LEVINE. Mr. Rogers, that was our desire and it was the assumption, my assumption, that the way contestants were interviewed during the period when the person was trying to put the contestant at his ease, that a request or a question would be phrased as to employment. It was the fact that Mr. Hoffer, a legitimate coworker of ours, was and did want to be on this show and that this would be perfectly proper and legitimate for him to say.

Mr. ROGERS. Was it your idea to put him on as a publicity scheme?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. You sold the idea to Mr. Hess, did you not?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. He agreed to pay the money?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. And he paid it in cash?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. Any philanthropic tendencies you had toward Mr. Hoffer, you lost pretty quick after that show, did you not?

Mr. LEVINE. Our primary desire was to grant this young man his opportunity of getting on that show, and making mention of the fact that he worked at Hess Bros.

Mr. ROGERS. And then shortly after that he was discharged, was he not?

Mr. LEVINE. It was not shortly after that. To the best of my recollection from what was testified here last night, he was discharged in 1956, in December, and this program took place in August of 1955.

Mr. ROGERS. You paid that money in cash, Mr. Levine?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. You knew that, did you not?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. These other transactions that you had, did you pay that money in cash or by check?

Mr. LEVINE. By check.

Mr. ROGERS. Why did you pay one in cash and one in check?

Mr. LEVINE. Because this was demanded of us in order to get Mr. Hoffer on this show.

Mr. ROGERS. Miss Bayne demanded it of you?

Mr. LEVINE. I don't know whether it was Miss Bayne demanded it, or not, or whether it was the people who interviewed Mr. Hoffer and with whom Mr. Gottlieb spoke.

Mr. ROGERS. All you were told was to have it in cash and that was what you did?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. The check that you gave to these other people, what you did was, you actually bought your way into another person's program or into a column, did you not, by paying a certain amount of money?

Mr. LEVINE. This is a public relations operation.

Mr. ROGERS. I am not asking you what it is. I am asking you if that is what you did. You paid some money to get Hess Department Store mentioned in a syndicated column, or on a TV program or radio program, did you not, Mr. Levine?

Mr. LEVINE. Yes, sir, Mr. Rogers.

Mr. ROGERS. You charged that off as business expense, did you not?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. As publicity and promotion?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. Did you charge off this five or ten thousand dollars or fifteen? I forget how much was paid in cash. Was that charged off the same way?

Mr. LEVINE. To the best of my knowledge, it was not because this money came from Mr. Hess' personal funds.

Mr. ROGERS. Actually, you did it this way because you considered it a rather shady situation in the first place, did you not, Mr. Levine?

Mr. LEVINE. No, I did not consider it such, Mr. Rogers. Not at that time. This seemed, or I should not say seemed, I should say this was my impression, that this was the common practice.

Mr. ROGERS. This was the common practice?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. That is the way you had handled all your other business and you just took the position that this was another case like the syndicated column or like the TV show or like the radio show you dealt with before?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. The only difference was, that one was by check and one was in cash?

Mr. LEVINE. Yes, sir.

Mr. ROGERS. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. Mr. Levine, are you still employed by the Hess Department Store?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. Inviting your attention to the 6 days ago last Friday, were you at the store at that time?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. October 30?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. And especially between the hours of approximately 9 o'clock in the morning and 11 o'clock in the morning were you in the Hess Department Store?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. With whom were you at that time?

Mr. LEVINE. It would be hard to say because at that time I was working on a public relations project on a promotional project that had been going on for almost 9 days. There were any number of people in the store with me at that time.

Mr. DEVINE. Did you see Mr. Hess during that period?

Mr. LEVINE. No, sir.

Mr. DEVINE. Did you see Mr. Walker?

Mr. LEVINE. No, sir.

Mr. DEVINE. Are you acquainted with a series of telephone calls originating from the Hess Department Store at that time, in an effort to find Mr. Hoffer?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. Who placed those calls?

Mr. LEVINE. I did.

Mr. DEVINE. You did.

Mr. LEVINE. Yes, sir.

Mr. DEVINE. I would like to invite your attention to a call placed. Is the telephone number of the Hess Department Store Hemlock 5-8411?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. The first call at 9:32 in the morning, was that placed to the Pomeroy Department Store in Reading, Pa.?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. And you made the call?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. How did you represent yourself at the time that call was made?

Mr. LEVINE. I represented myself as being from the district attorney's office and that I was trying to locate Kenneth Hoffer.

Mr. DEVINE. And to whom did you talk?

Mr. LEVINE. To a personnel person there.

Mr. DEVINE. Was that first call made to Mr. Heinbeck, the personnel manager at the Pomeroy Department Store?

Mr. LEVINE. This name I do not remember.

Mr. DEVINE. Is it not a fact that at that time you identified yourself as someone from the FBI?

Mr. LEVINE. No, sir.

Mr. DEVINE. You deny that?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. Later, at 10:35 that same morning, did you place another call to a neighbor of Mr. Hoffer?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. That would be a Mr. Terafinko?

Mr. LEVINE. Yes, sir; I believe that name is correct, sir.

Mr. DEVINE. How did you identify yourself at that time?

Mr. LEVINE. Again as from the district attorney's office attempting to locate Mr. Kenneth Hoffer.

Mr. DEVINE. Did you at that time use the name of Mr. Siegfried?

Mr. LEVINE. Yes, sir; I did.

Mr. DEVINE. Did you locate Mr. Hoffer through that call?

Mr. LEVINE. Yes, sir; I did.

Mr. DEVINE. What was your purpose in trying to reach Mr. Hoffer?

Mr. LEVINE. As I have indicated here, my memory of the events that took place 4 years ago, more than 4 years ago, was very hazy and I was trying to recall the sequence of events. I could, Mr. Devine, probably have waited until last night and heard the testimony which helped to refresh my memory.

Mr. DEVINE. Why did you find it necessary to misrepresent yourself?

Mr. LEVINE. I am sorry I did that, sir, but it was my feeling that maybe Mr. Hoffer might not want to talk to me personally.

All I wanted from Mr. Hoffer was the sequence of events, where we had gone, whom we had seen.

Mr. DEVINE. Now, directing your attention to a third telephone call, Mr. Levine, at 10:40 a.m., on Friday, October 30, did you direct a call to Mr. Hoffer and talk to Nelson Sugg, Hoffer's assistant at Pomeroy's—

Mr. LEVINE. Yes, I did.

Mr. DEVINE. How did you represent yourself at that time?

Mr. LEVINE. The same way, sir.

Mr. DEVINE. Is it not a fact that, Mr. Levine, at that time you identified yourself to Mr. Sugg as someone from the local district attorney's office of the FBI?

Mr. LEVINE. No, sir.

Mr. DEVINE. You categorically deny you made that representation; is that correct?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. Finally, you did ultimately reach Mr. Hoffer at the Capital Bedding Co. in Allentown?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. How did you represent yourself at that time?

Mr. LEVINE. Again I used the name of Siegfried, from the district attorney's office investigating on this thing and wanted to know Mr. Hoffer's sequence of events.

Mr. DEVINE. You told him that you, at that time, were someone from the district attorney's office in Philadelphia, did you not?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. And that you were an investigator investigating the "\$64,000" program?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. And at that time did Mr. Hoffer ask you if were Mr. Kelly?

Mr. LEVINE. He used the name of Mr. Kelly.

Mr. DEVINE. And you said you were with Mr. Kelly at that time, did you not?

Mr. LEVINE. I don't believe I said I was with Mr. Kelly.

Mr. DEVINE. What did you say?

Mr. LEVINE. I may have said that I understood that he had seen Mr. Kelly.

Mr. DEVINE. Did he specifically ask you when you represented yourself as investigating this program if you were with Mr. Kelly and you said, "Yes, Mr. Kelly is right here"?

Mr. LEVINE. I don't recall that I said that, Mr. Devine. If I did, if Mr. Hoffer says I did, then I don't know. This I do not know.

Mr. DEVINE. You should know what you said to him.

Mr. LEVINE. My primary purpose—I don't know if I said that, Mr. Devine. My primary purpose was in finding out what had transpired so that I could refresh my memory because as late as last Wednesday I had had no recollection in my memory of Mr. Kenneth Hoffer's name. I did not know it. I had no recollection of his name.

This is what I was trying to dredge out of my memory, Mr. Devine.

Mr. DEVINE. How long did you talk to Mr. Hoffer on this occasion?

Mr. LEVINE. I do not know. I do not know how long a time I talked to him.

Mr. DEVINE. Did you talk to him about what he would testify to here before this subcommittee?

Mr. LEVINE. No, sir; that I did not.

Mr. DEVINE. Who knew that you were going to make these telephone calls?

Mr. LEVINE. Nobody, sir. This was my own idea because I was the key point in this thing, and since this had happened 4½ years ago, at a time when we were busy with varied and sundry projects, and Mr. Kelly had been in to see us during a time when I was busy with another promotion, I could not remember, and my only desire—maybe wrong, sir—my only desire was to try to refresh my memory and know just exactly what had taken place.

Mr. DEVINE. Was anyone with you when you made these calls?

Mr. LEVINE. No, sir.

Mr. DEVINE. Did anyone know you were going to make these calls?

Mr. LEVINE. No, sir.

Mr. DEVINE. Did you advise anyone connected with the store, or their attorney, that you had made these calls after you had done so?

Mr. LEVINE. No, sir; this I did of my own volition, Mr. Devine.

Mr. DEVINE. Mr. Levine, you categorically deny here that you represented yourself to be an FBI agent?

Mr. LEVINE. Yes, sir.

Mr. DEVINE. Now, you may or may not know that a number of years ago I was an FBI agent, and I know the Bureau takes a very dim view of anybody who impersonates an FBI agent and I do, personally.

Mr. LEVINE. This, I know, Mr. Devine, because I used to work on a newspaper and my contacts went to the FBI office, Mr. Thomas Hannagan in Allentown, and I am fully aware of the responsibilities and the problems.

Mr. DEVINE. In the event some of these persons to whom these calls were directed make or have made statements to the effect that you so represented yourself, are they in error?

Mr. LEVINE. This I cannot say. I cannot say what position they are in, Mr. Devine.

Mr. DEVINE. I am sure this will be developed much more fully.

That is all, Mr. Chairman.

The CHAIRMAN. Mr. Levine, you did know that Mr. Hess defied our staff investigators when they went to see him, did you not?

Mr. LEVINE. I learned afterward that Mr. Hess had been short and curt with Mr. Kelly.

The CHAIRMAN. Yes, that is a very mild way of putting it. Particularly when they told him to go and drop dead.

Mr. LEVINE. I don't want to apologize for Mr. Hess, Mr. Harris.

The CHAIRMAN. The point in asking the question is that after this happened and you were fully aware of it, you then made these representations of being from the district attorney's office in an effort to try to get to Mr. Hoffer.

Mr. LEVINE. In an effort to refresh my memory because it was my desire that we give the full facts to this committee.

The CHAIRMAN. Why did you not represent yourself to be the President of the United States? You might have gotten to him quicker?

You knew Mr. Hoffer very well, did you not?

Mr. LEVINE. I knew him from his employment at Hess, but I had not seen nor heard from Mr. Hoffer——

The CHAIRMAN. He worked there with you for how many years?

Mr. LEVINE. He had been working there for about, I think, 6 or 8 months prior to that appearance on the show.

The CHAIRMAN. Was he in charge of one department and you in charge of another?

Mr. LEVINE. Yes, sir.

The CHAIRMAN. And as such you had occasion to see him very often, did you not?

Mr. LEVINE. Sir?

The CHAIRMAN. You had occasion to see him very often, did you not?

Mr. LEVINE. Yes.

The CHAIRMAN. And yet you would misrepresent yourself as an enforcing officer in an effort to get to talk to him over the phone.

Mr. LEVINE. I didn't know whether Mr. Hoffer would talk to me, Max Levine, in view of the fact that he was going to be questioned or had been questioned on this problem. It was, therefore, my desire to find out exactly what had transpired back in August of 1955, so that I could develop the sequence of events.

The CHAIRMAN. It is a pretty strange quirk to me to get the sequence of events that you were apparently so familiar with.

Mr. Flynt?

Mr. FLYNT. Mr. Levine, is it not a fact that you were trying to find out from Mr. Hoffer what his testimony was going to be before this subcommittee.

Mr. LEVINE. No, sir.

Mr. FLYNT. Could you not have reconstructed the sequence of events from your own personal recollection?

Mr. LEVINE. From my own personal recollection, they were so hazy that I could not. There were too many gaps that I could not recall at the time.

It was my desire that we have all the facts in an effort to be of full help to this committee.

Mr. FLYNT. How many other occasions were there when cash transactions were used to obtain plugs of various kinds for the Hess Department Store?

Mr. LEVINE. This is the only one I know of.

Mr. FLYNT. Is it the only one, or the only one you think the subcommittee knows about at the present time?

Mr. LEVINE. To the best of my recollection this is the only time we paid cash for such a plug.

Mr. FLYNT. Mr. Levine, how do you account for the fact, by all of your testimony and Mr. Hess' testimony, that an item of \$10,000, appears to be greater than any single transaction in that list you have in your hand; is that correct?

Mr. LEVINE. Yes, sir.

Mr. FLYNT. How do you explain the fact that there was no accounting made for this expenditure through the department which you are charged with the responsibility of?

Mr. LEVINE. The place for the determination of where the charge would be made would probably be Mr. Hess' and this came from Mr. Hess' personal funds, and that is as far as I can go on this point, Mr. Flynt.

Mr. FLYNT. What was the reason why this was done? It was for the store, was it not?

Mr. LEVINE. Sir?

Mr. FLYNT. This was done for promotional purposes for the store, was it not?

Mr. LEVINE. Yes, sir.

Mr. FLYNT. Why was this not handled in the normal manner of transactions that you have a list of in your hand there?

Mr. LEVINE. Because this is what was demanded of us to get Mr. Hoffer on the "\$64,000 Question."

Mr. FLYNT. Who told Mr. Gottlieb to whom the money was to be delivered?

Mr. LEVINE. Who told Mr. Gottlieb—may I hear that question again?

Mr. FLYNT. Yes. Who told Mr. Gottlieb what to do with the first \$5,000?

Mr. LEVINE. Mr. Hess.

Mr. FLYNT. Last night, did you not understand Mr. Hess to say that you did it?

Mr. LEVINE. Oh. All right, let me clear this up, Mr. Flynt. I am sorry for this apparent confusion.

When I say Mr. Hess, I mean that he gave the money—actually gave the money—to David Gottlieb and David Gottlieb was to carry out my instructions on delivering this money.

Mr. FLYNT. Actually, Mr. Levine, were you not correct just a moment ago when you said that Mr. Hess did tell Mr. Gottlieb to whom to deliver the money?

Mr. LEVINE. No, sir.

Mr. FLYNT. It is true, is it not, that Mr. Hess had some conversations with Mr. Schwartz, one or more of which might have been in your presence?

Mr. LEVINE. To the best of my knowledge, Mr. Hess never talked to Mr. Schwartz. To the very best of my recollection, Mr. Hess never talked to Mr. Schwartz. If he did, this I do not know.

If this happened, Mr. Hess probably does not remember either because these were names that meant nothing to us. I cannot identify Mr. Schwartz or any other person involved in this, if that person were seated right in front of me.

Mr. FLYNT. Mr. Levine, it is very difficult for me to understand why a sizable cash transaction would be handled and why the carrier or messenger who carried the money did not receive instructions from somebody as to exactly whom to see and what to do with it.

Mr. LEVINE. Mr. Gottlieb has testified that he talked to Mr. Elroy Schwartz.

Mr. Gottlieb has testified that he went to see Mr. Schwartz and Mr. Cates, to tell them of the \$10,000.

Mr. Gottlieb has testified that he delivered the money to Mr. Schwartz. This he told me and this was all I needed on this arrangement.

Mr. FLYNT. Miss Gertrude Bayne came in for about \$5,000 on this same transaction, did she not, Mr. Levine?

Mr. LEVINE. In part.

Mr. FLYNT. What do you mean, in part? What do you mean by "in part"?

Mr. LEVINE. For this transaction and for other public relations work that she did for us.

Mr. FLYNT. Was that handled in cash, or in check?

Mr. LEVINE. Check, sir.

Mr. FLYNT. If it was all part of the same transaction, why would you handle part of it in check and part of it in cash?

Mr. LEVINE. Because Miss Gertrude Bayne was one of our regularly employed public relations firms.

Mr. FLYNT. Was the payment to Miss Gertrude Bayne by check for \$5,000, dated August 23, 1959, check No. 4760, in connection with this transaction as you have just testified, or was it in connection with an entirely different matter involving a monthly magazine?

Mr. LEVINE. This was in conjunction with several projects, including a project that Miss Bayne was working on to get us a story in a monthly magazine.

Mr. FLYNT. I think that is all, Mr. Chairman.

The CHAIRMAN. Mr. Moss.

Mr. MOSS. Mr. Chairman, I have no questions, but I would like to have a clarification as to the material which Mr. Levine is to supply the subcommittee. I would like to request that it encompass the period

of his records, that it include the specific amounts, person to whom paid, and the address of that person, and the purpose for which the payment was made.

I would like to suggest that the supplying of this information be expedited by Mr. Levine.

The CHAIRMAN. Mr. Levine, I believe you mentioned a moment ago, as I was trying to expedite this matter that Mr. Bennett was questioning about, that you could supply this information.

Mr. LEVINE. Yes, sir. I would have to go back to Allentown, Pa., for that.

The CHAIRMAN. Yes, of course.

Mr. LEVINE. Yes.

The CHAIRMAN. But you could supply it within the next few days?

Mr. LEVINE. Yes, sir.

Is there any specific period, Mr. Harris, that Mr. Bennett would want or Mr. Moss. What period of time should we cover in this?

Mr. BENNETT. Do you have your records back for 10 years?

Mr. LEVINE. I don't know how far back our payment records go.

Mr. BENNETT. You keep them for 6 years anyway, do you not?

Mr. LEVINE. I believe so. I would think so.

Mr. BENNETT. Get them back as far as you have them.

Mr. LEVINE. Fine.

The CHAIRMAN. I understood that was the request made by Mr. Moss, such records as you have.

Mr. LEVINE. Yes, sir.

The CHAIRMAN. Yes, if you will, furnish that within a reasonable time, which should be within the next few days.

Mr. LEVINE. Yes, sir.

The CHAIRMAN. I have a letter from Mr. Richard B. Becker of the Bell Telephone Co. of Pennsylvania, in Allentown, Pa., together with some toll tickets referred to therein, which will be included in the record at this point.

(Information referred to follows:)

THE BELL TELEPHONE CO. OF PENNSYLVANIA,
Allentown, Pa., November 4, 1959.

Mr. JAMES KELLEY,
Legislative Oversight Committee,
Washington, D.C.

DEAR SIR: Enclosed are the original toll tickets you requested. We are holding photostatic copies in our office.

Please return these records to us at the earliest possible date contingent with the needs of your committee. Your receipt of the original tickets has been cleared with our legal department.

Very truly yours,

[Original signed by Richard R. Becker, Manager.]

Date: October 30, 1959.

From: HE-5-8411.

To: Reading, FR-5-6111.

Elapsed time: 7 minutes.

Charge: \$0.75 plus tax.

Call placed: 9:42 a.m.

Date : October 30, 1959.
From : HE-5-8411.
To : Reading, FR-5-6111.
Elapsed time : Not noted.¹
Charge : \$0.35 plus tax.
Call placed : 10¹ a.m. approximately.

Date : October 30, 1959.
From : HE-5-8411.
To : Reading, SP-7-7218.
Elapsed time : 6 minutes.
Charge : \$0.65 plus tax.
Call placed : 10:33 a.m.

The CHAIRMAN. Mr. Lishman, do you have a statement to make?

Mr. LISHMAN. I would like, in fairness, to clarify the record about one point.

Last evening Mr. Hess testified that a payment of \$1,000 had been made to a Mr. Jack O'Brien; is that correct?

Mr. LEVINE. Yes, sir.

Mr. LISHMAN. It is a fact that Mr. O'Brien never gave a "plug" to the Hess Department Store; is that correct?

Mr. LEVINE. I would have to go back to our scrapbook.

Mr. LISHMAN. Isn't it a fact that he never did give a "plug" to the Hess Department Store?

Mr. LEVINE. I don't know, Mr. Lishman.

Mr. LISHMAN. Why did Mr. Hess bring his name into this?

Mr. LEVINE. His name is on this list of this period that you had here, I believe, last night.

Mr. LISHMAN. But Mr. Hess mentioned the name gratuitously last evening. We were not inquiring about anything other than payments for "plugs."

It is a fact that there is no evidence whatsoever that he has ever given a "plug" to the Hess Department Store. To the contrary, he has had opposite viewpoints expressed in his column; is that correct?

Mr. LEVINE. Of my own recollection, I do not know, Mr. Lishman.

Mr. LISHMAN. I would like also to have the record made clear that it was through Mr. O'Brien's leads and assistance that we have been able to develop the facts in this case. I think the record should be very clear on that.

That is all I have to say, Mr. Chairman.

The CHAIRMAN. Is it not a fact that Mr. O'Brien had a television program?

Mr. LEVINE. I don't recall.

Mr. DEVINE. Mr. Levine, in order to be perfectly clear, did you represent yourself to be connected with or an agent of the FBI at any time to any person on October 30, 1959?

Mr. LEVINE. No, sir; I did not, sir.

The CHAIRMAN. Mr. Levine, I imagine you have imparted to this subcommittee about all you know about these problems at the moment.

Mr. LEVINE. I have tried to be helpful, Mr. Harris.

The CHAIRMAN. On behalf of the subcommittee, let me thank you for your appearance here. You may be excused if you desire.

Mr. LEVINE. Thank you, sir.

¹ Illegible on photostat copy.

The CHAIRMAN. Now may I ask if Mr. Schwartz is in the room? Mr. Schwartz, will you come around, please, sir.

Mr. Schwartz, you have with you your counsel?

Mr. SCHWARTZ. Yes, sir.

The CHAIRMAN. What is your name?

Mr. MACHAT. Martin Machat.

The CHAIRMAN. Where do you live?

Mr. MACHAT. New York City.

The CHAIRMAN. I have been advised, Mr. Schwartz, that you desire that your testimony be taken in executive session. Is that true?

Mr. SCHWARTZ. That is true, sir.

The CHAIRMAN. Under the rules of the House, you are permitted to make such request. If the subcommittee so determines that your request is based on the premise or fact that your testimony may defame or tend to defame, degrade or incriminate some person, you will be heard in executive session.

Are you familiar with that provision of the rules of the House?

Mr. SCHWARTZ. That was explained to me; yes, sir.

The CHAIRMAN. It was explained to you and you understand it now?

Mr. SCHWARTZ. Yes, sir.

The CHAIRMAN. Do you feel that the testimony you will give to this subcommittee may tend to defame, degrade, or incriminate some person?

Mr. SCHWARTZ. Yes, sir.

The CHAIRMAN. And you honestly think that might be the result of your testimony?

Mr. SCHWARTZ. Definitely, sir.

The CHAIRMAN. You may step aside momentarily.

Mr. SCHWARTZ. Thank you.

The CHAIRMAN. Is Mr. Cates in the room?

Mr. CATES. Yes, sir.

The CHAIRMAN. Are you Mr. Cates?

Mr. CATES. Yes, sir.

The CHAIRMAN. Mr. Cates, you advised me last night that you would like to request that your testimony be taken in executive session by the subcommittee.

Mr. CATES. That is right, sir.

The CHAIRMAN. Is that your desire?

Mr. CATES. Yes, sir.

The CHAIRMAN. You have heard the questions that I asked Mr. Schwartz?

Mr. CATES. Yes, sir.

The CHAIRMAN. Under the circumstances, do you honestly feel that the testimony you may give to this subcommittee may tend to defame, degrade or incriminate some person?

Mr. CATES. Yes, I do, sir.

The CHAIRMAN. It is on that basis that you ask to be heard in executive session?

Mr. CATES. That is right, sir.

The CHAIRMAN. Very well, you may step aside.

The subcommittee will recess at this time and we will hold an executive session in the regular committee room 1334 at 1:30. The sub-

committee will return to this room to resume the public hearings at 2:30. At that time we will have Mr. Kintner of the National Broadcasting Co. and Mr. Stanton of the Columbia Broadcasting System as witnesses.

The subcommittee will recess.

(Thereupon, at 12:40 p.m., the subcommittee recessed, to reconvene at 1:30 p.m. in executive session.)

AFTERNOON SESSION

(The subcommittee reconvened at 3:10 p.m., following the conclusion of the executive session.)

The CHAIRMAN. The subcommittee will come to order.

Mr. Kintner.

Will you be sworn, please, Mr. Kintner?

Do you solemnly swear the testimony you will give to this subcommittee will be the truth, the whole truth and nothing but the truth, so help you God?

TESTIMONY OF ROBERT E. KINTNER, PRESIDENT, NATIONAL BROADCASTING CO., INC.

Mr. KINTNER. I do.

The CHAIRMAN. Will you state your name for the record, please?

Mr. KINTNER. I am Robert E. Kintner, president of the National Broadcasting Co.

The CHAIRMAN. Your address?

Mr. KINTNER. 25 Sutton Place, New York, N.Y.

The CHAIRMAN. Mr. Kintner, this subcommittee has had under consideration the problem, during the course of these hearings, of quiz shows and the manner in which they have been carried on. We have had contestants, representatives of the producers; we have had people from the advertising sponsors, and we have asked you to come here as a representative, the president, of the National Broadcasting Co. in connection with these hearings.

Do you have a statement that you desire to make?

Mr. KINTNER. Mr. Chairman, let me first thank you for the opportunity of appearing before the committee.

I do have a statement which I would like to read. If the committee would agree, I would like it entered into the record in the event that there should be some summarizing of the particular statement.

I make this point, Mr. Chairman, because I would like to have the committee interrupt me at any time to ask any questions.

The National Broadcasting Co. has only one objective in appearing before you, and we appreciate the opportunity, to let all the facts be known about the broadcasting business.

The CHAIRMAN. I did not understand your request.

Did you say you would like to have your entire statement included in the record?

Mr. KINTNER. What I said, Mr. Chairman, was that I don't mind being interrupted at all during the statement, which is a rather complicated one, covering several fields. As a result, I would appreciate

if the committee would agree that the statement be entered into the record in full.

The CHAIRMAN. Yes. And you will give such parts of it as you desire.

Mr. KINTNER. Yes. I am trying to avoid duplication in the event there are questions covering—

The CHAIRMAN. Very well. You may proceed.

Mr. KINTNER. Before I begin the statement, may I say, so that the committee understands my position, for the National Broadcasting Co. I want to make, basically, five points:

No. 1, the NBC management did not know of the rigging of quiz shows. If we had known about it, we would have stopped it. We were as much deceived as was the public, but we were deceived by a small group of people in the production field and the contestant field.

No. 2, NBC does not propose to abdicate a program responsibility in the quiz, audience-participation, panel-show field. We believe we have set up a security system that will protect these shows from repetition. It will certainly protect them to the extent that you can legislate and regulate honesty among individuals.

No. 3, we are announcing for the first time today that we have set up a unit within NBC to investigate the practices of the quiz shows or other standards, and practices within the National Broadcasting Co. It is now headed by a former assistant U.S. attorney, who is in a temporary basis, and we are looking for a permanent head of this division, which will continue to stress within NBC all practices and standards of the broadcasting company.

Fourth, the National Broadcasting Co. is in favor of a penal statute which would make it a criminal offense, the rigging of quiz shows.

Last, because NBC believes that the public should hear the facts directly, Mr. Chairman, we would like to offer you and the members of the committee, at the conclusion of your deliberations, in a manner to be worked out among us, the evening facilities of the NBC television network, the NBC radio network, to give your conclusions and your opinions on our industry. Obviously, we would share these broadcasts with other networks if they are interested.

I summarize those points because they are covered in the statement, and I wanted to give the committee, if I could, a comprehensive picture of the NBC position.

My name is Robert Kintner. I am president of the National Broadcasting Co., as I have testified. Previously I was a reporter and writer in New York and Washington for the New York Herald Tribune, collaborating with Joseph Alsop in a column; subsequently, I was a lieutenant colonel in the Army, and for 8 years president of the American Broadcasting Co. I came into the employment of NBC January 1, 1957, and was made president of NBC in July; July 1, 1958.

In my testimony today, I want to give the subcommittee a full insight into NBC's position in the quiz show situation, and I will try to do so by reviewing it from several aspects.

First, I will describe the highlights of just how NBC learned about rigging in certain of these shows and also what we have done to safeguard the integrity of these programs.

Next, I will outline the further actions we are taking to deal effectively with deceptive practices wherever they may arise in our broadcast operations.

Finally, I will present our position on what we regard as NBC's responsibilities in these problem areas, and give our views on what steps might appropriately be taken by the Government.

To put the matter in perspective, I would like to go back to mid-August 1958. That was the first time I had any reason to believe that any quiz show was engaged in collusion with its contestants. This not only was the first time that I, as the operating head of NBC, the president, knew, but the first time that Robert Sarnoff, the chief executive officer and chairman of the board, and it was the first time that David Adams, senior executive vice president, had any inkling of the possibility of collusion in the quiz shows.

On Thursday, August 14, 1958, I got a call from the Colgate-Palmolive Co. asking me to meet with them that day about a problem which had just arisen with the "Dotto" program. That was a program, a summer program, on NBC that was started in July. It was a daytime program, basically, on the Columbia network.

This show had been running for some time in the CBS daytime schedule and 6 weeks before, on July 1, 1958, an evening version of the same program had been accepted for the NBC Tuesday night schedule as a summer replacement.

The Colgate-Palmolive people told me that they had certain evidence that the "Dotto" program was rigged. It was their suggestion to take it off the air, and I agreed immediately.

Although the "Dotto" incident arose on another network, I promptly instructed Thomas Ervin, our general attorney, to institute a review of all quiz programs on the NBC network.

May I digress, Mr. Chairman, there, because I have read reports on the negligence of the networks, and I don't believe I acted any faster than any other official. The meeting with the Colgate-Palmolive people was held on Thursday afternoon. Friday morning I called Mr. Ervin, who was on vacation on an island off Long Island, and instructed him to survey the procedures of all our quiz shows, and this survey was begun the following Monday.

The review I just mentioned was assigned to Mr. Edward Burns, a former FBI man on our legal staff. Mr. Burns made a detailed survey of the procedures used in these shows—how contestants were selected, how questions and answers were processed, who had contact with the contestants, and the like.

The unit managers on the programs, who are the NBC employees assigned as liaison between the production unit and the network, were also interrogated to determine if they knew anything about any irregularities or had observed anything suspicious in the conduct of the contests. This review, which took about a month to complete, revealed no evidence of any improprieties in the programs.

On August 28, 1958, when the Stempel charges broke in the press, I learned for the first time that the same claims had arisen a year before and had been handled by members of our staff.

In September 1957, members of the Barry & Enright organization, the producers of "Twenty-one," advised our press department, and then our lawyers, that the New York Journal-American was con-

sidering running a story that Mr. Stempel, a former contestant on the program, claimed that he had received answers from the producer. They stressed the fact that the New York Post had previously looked into the same matter but had decided not to run a story.

The Barry & Enright representatives claimed that Stempel's charges were wild fabrications and were an effort at extortion; that Stempel was unstable and under psychiatric care; that he had given Enright a written retraction, and that Enright had recorded an interview with him in which Stempel admitted his claims were false. At this time Barry & Enright had an excellent reputation in the industry. "Twenty-one" had been on the air for a year without any complaint by any other contestant. At no time did Stempel approach NBC with any charge.

To top off all these factors in support of the Barry & Enright version, the New York Journal-American shortly informed our press department that it was abandoning the story. Our NBC staff people wrote off the incident as the claim of an eccentric and did not report it to Mr. Robert Sarnoff, chairman of the board of NBC, or to me.

Mr. Chairman, rightly or wrongly, in the broadcasting business we get many complaints of this character, most of which turn out to be untrue. This was a situation where, in dealing with Barry & Enright, who were reputable producers, according to our knowledge at the time, and from various networks, against the claim of a man who appeared at least to be unstable. It was the decision of our press department and lawyers not to notify the NBC management.

By hindsight, we recognize we should have dug deeper. But I cannot fault the judgment of the NBC people who had to act without the benefit of what is the present hindsight.

That was back in September 1957 and, as I have said, I did not learn of the incident until a year later, when the story was published. The published story added nothing to the claims, which, as I have said, had seemed so thoroughly discredited the year before.

The Barry & Enright representatives again assured our lawyers and publicity people that the Stempel claim was a complete fabrication and urged that we join them in a libel suit.

Instead, Mr. Ervin, our general attorney, immediately insisted that Stempel's written retraction and the tape recording of his interview be turned over immediately to the district attorney. That was done the following morning and NBC informed the district attorney that it would cooperate fully in the quiz show investigation he had just undertaken.

One of our problems in investigating the quiz show fabrications was the fact that in this period the district attorney had begun an investigation and the grand jury was shortly called thereafter. We were requested by the district attorney, and cooperated with him, not to interview contestants. As a result, we had to turn our efforts basically to standards and procedures until such time as the district attorney and the grand jury had made the presentment.

Within 3 weeks a grand jury was empaneled to pursue the investigation. A week later a new report of rigging on "Twenty-one" came to light through newspaper accounts of the charges of James Snodgrass, who had testified before the grand jury. These charges were denied without qualification by Barry and Enright. They supported

their denial with affidavits signed by them and the seven other members of their organization who had had any contact with Mr. Snodgrass.

May I add here that there is no question but National Broadcasting Co. was taken by Barry & Enright. As reputable producers, we did believe them, we believed their affidavits, and we believed the affidavits of the people who worked on those particular shows.

Nevertheless, we decided on September 30, 1958, 4 days after we first heard of the Snodgrass charges, to take over direct production control of all the Barry & Enright programs. Mr. Enright was relieved as executive producer of these programs and Mr. Freedom was relieved as producer of "Twenty-one." We put in NBC program staff officials as executive producers of the programs and assigned our manager of daytime programs to be overall supervisor.

There has been no claim of any rigging of these Barry & Enright programs since the time NBC took over these programs in the fall of 1958. When we took over the program, we did not believe that the Barry & Enright organization was dishonest. However, the statement of the second man, in this case Mr. Snodgrass, made us feel we should take a precaution.

But in taking over these shows ourselves, we had literally no idea that questions and answers had been given to contestants, but we wanted to protect the integrity of our company and the operation of the shows themselves.

To get at the truth of the Snodgrass charges, NBC proposed to interrogate Mr. Snodgrass directly, but refrained from doing so when the district attorney's office asked us not to question any contestants during the grand jury investigation.

Faced with this situation, we saw a clear and proper course. We decided to concentrate on positive steps to safeguard the honesty of the quiz programs in our schedule, leaving the investigation of past transgressions to the grand jury with whatever assistance we could give them.

Our experience after taking over control of these programs indicated it would be helpful to obtain professional aid on the security procedures of the shows.

On January 5, 1959, we engaged Arthur Young & Co. to conduct an independent survey to audit these procedures and make suggestions to us. A final report on this survey was made on April 27, 1959. The findings resulting from the study were that the security procedures were generally good, but could be improved by adoption of certain additional measures which were promptly put into effect.

The reason we employed a firm of independent public accountants was that while we believed that no organization—the Government, the FBI, et cetera—can legislate honesty if two people want to be dishonest and in conspiracy, we did feel that the standards and procedures—such things as who handles the questions, who handles the answers, how the contestants are picked—could offer temptation, which might be removed by tightening the standards and procedures.

We have made a variety of changes to remove that temptation.

To give you an example, in one of our shows the pages used to walk through the audience and select the contestants. We decided not to permit the pages to go through the audience and select the contestants

for fear of the temptation of collusion between a young page and a contestant.

In June 1959, the grand jury completed its work and we expected that finally we would learn the true facts developed by the investigation.

However, the presentment was sealed by the court. We were tremendously disappointed at this turn of events and, as we publicly stated, we favored release of the presentment.

Without going into the legal reasons, which I am sure were adequate, of the judge, it was our expectation that through the operation of the district attorney's office, and through the publication of the presentment of the grand jury, we would have a complete set of facts concerning the operation of the shows on NBC.

During the summer of 1959 we continued direct production of the Barry & Enright shows. Prior to the start of these hearings in October, we learned that Howard Felsher, the producer of "Tic-Tac-Dough," had been called to appear. We asked him for sworn assurances that he had not participated directly or indirectly in any rigging of the program. Upon his refusal to furnish such an affidavit, we discharged him.

As you know, Felsher subsequently testified that although he had engaged in rigging "Tic-Tac-Dough" prior to the production takeover by NBC, the show had been conducted with complete honesty since that time.

Similarly, when evidence developed by this subcommittee raised grave questions about Charles Van Doren's participation in the "Twenty-one" program, we told him that it was essential he ask to appear immediately before the subcommittee and testify fully and that if he did not do so, he would be suspended.

As you know, Van Doren had previously testified before the grand jury. He had also gone on the air and denied that he had ever received questions or answers.

On October 6, when two of our officers, James Stabile and David Levy, met with him to insist that he ask to appear before the subcommittee, Van Doren again repeated his denials of any wrongdoing and late that night sent you, Mr. Chairman, a telegram offering to appear.

Two days later, when he had not appeared in answer to a request from the subcommittee, we suspended him until the questions of the issues involving him were resolved.

Late that afternoon, October 8, Robert Sarnoff, chairman of the board of NBC, I, and some of our associates, met with Van Doren and his counsel to advise him of the suspension and to confront him with certain suspicious statements he had made to Mr. Stabile during their previous meeting.

In view of those statements, our counsel, Mr. McKay, first asked Van Doren to tell us the basis for any suspicions he may have had about "Twenty-one," but he declined to answer on the advice of counsel.

I pressed the matter and told Mr. Van Doren, as formally and solemnly as I could, "As president of NBC, I am calling upon you here and now to tell us everything you know about 'Twenty-one.'" Again his counsel advised him not to answer and shortly after that our meeting terminated.

The full Van Doren story emerged at these hearings only last Monday, and that is when we learned it for the first time.

There have been certain implications in the press that NBC somehow indirectly, or some of our executives, knew that Mr. Van Doren had received questions and answers. We did not. The management of NBC did not. We completely believed him. He was suspended only because we did not feel he was responding to appear before the House committee when there had been an indirect reference to him, and we finally suspended him pending his testimony.

When we saw his testimony that he had received questions and answers, contrary to what he had told our listeners on the air, contrary to what he had told our executives, contrary to what he had told our executives when 1 week before the time he appeared, we felt that we should dismiss him, and we did.

We did not believe, in view of his testimony, that he was the kind of representative that should be on NBC air.

I must say we had difficulty with the decision. Charles Van Doren is a very attractive, bright young man. We also do not believe that people should be punished forever for mistakes.

However, we felt that we could not have two standards, one for producers whom we had fired for entering into a conspiracy, and the other perhaps for a more likeable personality.

As I say, we did that reluctantly, but we did not believe he was the proper type of representative to be on the National Broadcasting Co.'s facilities.

Beginning on October 6—just a month ago, the hearings of this sub-committee for the first time removed the charges of collusion between quiz-show contestants and producers from the realm of hints and inferences and from the secrecy of the earlier grand jury proceedings. These hearings gave the public, and also NBC, the first established evidence of quiz-show rigging.

May I say, Mr. Chairman, as far as NBC, while it has not been a particularly pleasant period for the NBC management, we are delighted, and I am sure the other networks are, although I am obviously not speaking for them, that this committee did the public service of making public the rigging of these shows.

As additional information has come to light, we have taken further steps to detect, root out, and prevent any dishonesty on our quiz shows.

Since last May we have been requiring contestants on all such shows to sign a form stating that they will not accept assistance on the program and undertaking to advise NBC directly of any offers of help.

Now, we have backed up this measure by providing for systematic interrogation of former contestants, both on a spot-check basis and as a swift followup to any charge of dishonesty.

With the conclusion of the grand jury, we felt we were now in a position to use our own investigators to go and spot check contestants and our shows to see whether we could obtain any evidence.

This work takes skilled professional investigators. We have a number of them working for us at this time. They have already interrogated some 80 former contestants on a spot-check basis in all parts of the country. They have also checked on every charge as it has developed, and they have turned up leads for possible criminal action,

and we have—yesterday—advised the New York district attorney's office of these leads.

If I may interpolate, our investigators have turned up, on one of our present shows, activity which fell into two parts. One was what we believe was a kickback system between contestants and two men who were connected on a show, but actually did not appear on a show—they are what we call warmup men, who entertain the audience before the show goes on.

We believed we had sufficient evidence to turn it over to the New York district attorney on the basis of what we believed was a violation of New York State law.

In the same show we have discovered that 1 year ago, but not since, there was on the show, which was bought from an outside packager, a practice which was unknown to the NBC management and executives, of what are called controlled questions, whereby, if you desire to get rid of a contestant, you play to his weakness; if you desire to retain him, you play to his strength.

That has not gone on for a year.

The producer, himself, corrected it. We only discovered it in hindsight in the investigation of the contestants.

I wanted to tell this committee that, even though the affidavit of the producer was just obtained last night, and even though up to now, we have not had an opportunity to notify the advertisers of the show that a year ago such a practice did exist, because I felt, and it is NBC's position, that we want this committee to know every fact about our operation, because we are not ashamed of it, and we feel that we were not naive.

We were merely taken by a small group of deceitful people, and we object to it, to put it frankly.

We have also extended the security procedures established for quiz shows to all audience participation programs, and Arthur Young & Co. are at work auditing the procedures followed on these audience participation shows.

Audience participation shows differ from quiz shows in that they are not contests, per se, but people taken from the audience to do various stunts.

"Queen for a Day" is an example of it.

Senior officers of NBC—Mr. David Levy, the head of our television program department, and Mr. John West, the head of our Pacific division, have had searching discussions with all packagers producing any type of audience participation shows for NBC. These executives have impressed the packagers with the critical importance NBC places on the strictest security measures on their part and advised them that, on our behalf, we intend to maintain a continuing spot check of their programs.

Our contracts with these packagers have been revised to include representations and warranties from them as to the honest conduct of the programs they produce for us.

We have affidavits from producers of our audience participation shows, as well as our quiz shows, attesting to the honesty of their programs.

We have similar affidavits from all personnel in the production units for the former Barry & Enright shows.

And to cover every possible area, we have also asked for affidavits from every NBC executive regardless of his assignment, as well as all staff personnel who have anything to do with quiz or other audience participation shows.

If I may say so, Mr. Chairman, we had great difficulty, in asking for affidavits from every officer, every department head of NBC, together with all members of the program departments of our two networks.

We had felt perhaps it was an invasion of their personal liberty, but we decided that as trusted employees they should not object, and we are receiving from each officer and each department head in every office of NBC from New York to California, affidavits to any knowledge, and also any disclosure that he or she may wish to make.

I have gone into this background because I believe it establishes the following facts which are important to a proper perspective of the quiz show disclosures:

1. NBC has never been a party to quiz show rigging. We were just as much a victim of the quiz show frauds as the public.

2. Shortly after we had our first real basis for suspicion, the grand jury investigation began, but the facts developed by this investigation remained under the secrecy of the grand jury proceeding.

During the official investigation, NBC compiled with the request of the district attorney's office not to press its own investigation by interrogating contestants.

3. During the period from September 1958 to June 1959 while the grand jury investigation was being conducted, NBC expected that it would be apprised of the true facts through the results of the inquiry. When controversy arose over the sealing of the presentment by the court, we were unable to obtain these facts and NBC advocated that the presentment be made public.

4. Within these limitations, NBC took active steps to investigate and safeguard the integrity of the shows, first assuming direct production control of the Barry & Enright programs; then commissioning an independent survey and audit of the security procedures on all quiz shows; and later engaging professional investigators, requiring sworn statements from independent producers, and acting swiftly and decisively on facts establishing any past occasion of wrongdoing.

I say to this committee, Mr. Chairman, that every time we saw evidence of wrongdoing, no matter where the information came from, which was properly investigated and which we found in our belief to be true, we have acted either in a matter of hours or in a matter of 2 days.

5. All of the evidence adduced by the investigations demonstrates that the quiz show rigging was confined to a few members of independent production organizations, and that none of the shows was dishonestly operated when it was under NBC's direct production control.

We believe that the incidents of quiz show dishonesty are completely reprehensible and we are keenly aware of our responsibility for the programs we place in our schedule.

We believe, and are sure, these incidents are not typical of all shows in this category, and certainly do not reflect the character of the television medium.

May I say I have read several editorials in newspapers on the character of people running the television stations, the television networks throughout the country.

Next to Dr. Stanton I probably have more experience in this business in top jobs than any man. Formerly I was a newspaperman. I would like to tell this committee that the people who own the television stations throughout the country are high type people. Many of them are newspaper publishers, many of them are important businessmen.

I believe if you look at a cross section of America on the basis of the people operating the television stations, you will find that their standards and their integrity are as high as any group.

As far as the networks are concerned, leaving myself out, I think that Bob Sarnoff, General Sarnoff, John Burns of the RCA-NBC companies, Dr. Stanton, Louis Cowan, and his associates, at CBS, Leonard Goldenson, and his associates, at ABC, are men of honesty and integrity, trying to operate their franchises in accordance with the public interests. We intend to safeguard the integrity of our service by all possible measures, and we are confident that this task can be successfully and effectively accomplished.

In the light of what we have learned since this subcommittee began its hearings, we frankly recognize that our procedures over the past year have to be strengthened.

We feel that we need within our own organization the expert services of a professional staff on a continuing, full-time basis to investigate any area of possible deceptive practices in our programs or broadcast operations, and to develop thorough procedures for eliminating such practices.

We have, therefore, set up the nucleus of a professionally equipped group to carry out this work. It has already begun to operate under the supervision of Jerome Doyle. He is a member of NBC's outside law firm, Cahill, Gordon, Reindel & Ohl, and had a distinguished background in security and intelligence work, as an official of the FBI, an assistant U.S. attorney, and a special assistant to the Secretary of the Navy on security matters.

We have borrowed Mr. Doyle, because of his background, from our law firm, Cahill, Gordon, Reindel & Ohl, and we are presently looking for a permanent head.

Mr. Doyle is working full time at this job until we can engage a permanent head of this unit. He is giving assignments to skilled investigators and directing their work.

If I may digress, we have a group of former FBI agents in our employ, operating in various parts of the country under Mr. Doyle, to interrogate contestants to see whether we can find any evidence of fraud.

Mr. Doyle has direct access to top management and orders to spare no effort or expense to maintain the most rigorous security checks on our quiz shows.

The man we are seeking to head this unit—and, frankly, we have been unable to find him, although we are in active negotiations at the present time, part of the reason being the effect of a pension system on the type of person we want—and develop a permanent staff for it will not be chosen hastily.

It is not our intention to operate in this field to get over an emergency, or to engage a man of public standing for the sake of appearances.

We have been actively considering an executive with broad experience as an investigator, a prosecutor, and an administrator who has a distinguished record in the Federal service. This is the kind of man we will engage.

It is our intention to make this activity a regular part of our organization, reporting, incidentally, to the senior executive vice president, commensurate with our responsibility for the integrity of all programs we broadcast, whether these programs are produced by us, or supplied to us by outside production organizations.

The first task of the unit will be to establish and execute permanent procedures for assuring us of the honesty of all quiz, contest, and audience participation shows.

Beyond that, we intend to use the unit for investigation and correction of any other area of possible irregularity or deception. We feel this should be a new department of NBC.

As you gentlemen, I am sure, know, we do have a very extensive department of continuity acceptance which passes on the good taste of scripts, and also which investigates advertising copy.

However, we feel that this type of activity, which involves a large number of people, should be supplemented by a broad administrator, with investigatory and prosecuting background, together with as many associates as he feels is necessary to run a continual investigation of all the procedures and standards of the National Broadcasting Co.

Referring specifically to quizzes and contest programs, we do not believe that an appropriate answer to the problems disclosed by these hearings is to eliminate this whole category of programming from the air.

Programs of this type have proved their public appeal, and we feel that they can be enjoyable and instructive without any fakery.

We take as our responsibility the task of providing a wide variety of programs which should include all types of shows that the public will find appealing. Among these certainly are quiz and other audience participation shows.

But we recognize that it is just as much our responsibility to make sure that these programs will be honestly conducted, so that the public can have confidence in all the programs it watches.

At NBC we don't believe, as I have just stated, that the answer is merely to abandon shows in this field, such as Groucho Marx and shows of that character. We believe we should have a balanced program structure that should include quizzes, contest shows, it should include people like Perry Como, Dinah Shore, it should include important dramatic shows, such as "Ford Star Time," and it should have mysteries and westerns, so that over the period of the week, the public can see all types of entertainment.

We firmly believe that this should be supplemented by news and public affairs shows.

To give you an example of the NBC program structure since the opening of the season this fall, we have had 20 special news shows of

an hour or half hour in length, and of the 20, 7 have been placed in prime time.

We also believe that this is a responsibility, referring to the quiz shows, which can be effectively discharged only by each individual broadcaster, for the programs he presents, and we assume and acknowledge that responsibility for ourselves.

In our view, the idea of an industry czar is not a realistic method for the exercise of such responsibility. The television industry consists of over 500 individual stations, 3 networks, scores of independent production organizations.

Syndicators, performers, talent agencies, advertising agencies, and advertisers are also direct participants in this industry.

The broadcasters provide a service consisting not only of entertainment, but also of news, public affairs, and educational programs.

The concept of an industry czar, we feel, is not workable for such a service, any more than a czar over the newspaper industry or the magazine industry would be workable.

Related to this question of broadcasters' responsibility is the question of network control over programs. Here we are whipsawed between two conflicting attitudes: One is the attitude that networks should not control or produce the programs they present, but that these programs should come from independent program sources, with the networks operating as a facility for the broadcast and nationwide dissemination of such programs.

Such views have been argued in congressional committee hearings, and there is now pending before the FCC a proceeding on this whole subject.

One of the issues of this proceeding is whether it is in the public interest for networks to control and produce their programs.

Opposing this attitude is the view, which has been made since the quiz show disclosures, that networks should directly produce all the programs they present. Apparently this idea is advanced because independent producers were involved in the rigging charges.

We do not agree with either of these extreme points of view. We think that a network which presents some 70 hours of different programs every week in the year cannot possibly produce all of its own programs.

In order to supply a balanced diversified service, it must draw on all available creative sources inside and outside its own organization.

By the same token, we do not believe that a network should be barred from owning and producing programs it presents.

We produce all of our news and public affairs programs with our own creative staff, and we also produce some of the entertainment shows in our schedule.

Our purpose is to have the most effective total schedule and balanced schedule, and we can contribute to it through our own production as well as through the production of others.

But the final responsibility for the selection of programs—the overall makeup of our schedule—is NBC's responsibility and one to which we devote tremendous effort of evaluation and judgment.

I do not feel that a program is good or bad depending on whether it is produced by a network or by an outside organization.

Many of the finest shows in our schedule are supplied by independent producers; other outstanding programs are produced by NBC itself. For example, the "Ford Show," which is a very important show, including Shakespeare and dramatic shows, is produced away from NBC, and at the same time "Sunday Showease," which I believe contains some of the finest dramatic shows of the air, is produced by NBC itself.

Actions limiting networks either to outside productions or to network-produced programs would not meet any problem.

Starting with the premise that the responsibility for eliminating deception in broadcast material is and must be the broadcaster's responsibility, we have considered whether additional Government action is appropriate and, if so, what such action might be.

We do not think that Government regulatory or licensing action is appropriate for dealing with this subject, or that it would be effective.

The subject involved is the content of specific programs. Federal regulations in this field would inject the Government into the program process itself, which would be inconsistent, in our belief, with the whole concept of the broadcasting system of this country.

Even if it did not pose the threat of censorship, Federal action through program regulation would not effectively accomplish the purpose being sought.

The wrongful acts committed in rigging quiz shows were committed by deliberate collusion, conducted in secret, between certain producers and contestants. Had there been legislation on the books regulating programs through the FCC, or requiring networks to be licensed, it would not have prevented a producer from conspiring with a contestant. It would have been directed against the broadcaster who was himself a victim of the fraud, rather than against the perpetrators of the fraud.

We recognize that there is a gray area in this field which does not cover the wrongs that were committed. Because of the existence of this gray area, the New York grand jury could not find on the evidence before it that any statute had been violated, and the only indictment it returned was one for perjury.

We feel that if any legislation is to be considered, it should be legislation aimed directly at the wrongdoer, rather than legislation of a blanket variety aimed at the broadcaster—although it should apply to any broadcaster who consciously participated in the fraud.

With this in mind, we have considered penal legislation which would make it a Federal crime knowingly and willfully to participate in a scheme to control the outcome of a contest broadcast over licensed facilities.

Although we believe the broadcasters, alerted by the recent quiz show disclosures, are now in a position to guard against such frauds in the future, we feel that legislation along the lines I have mentioned would be an effective added force. It would serve as a powerful deterrent against the sort of wrongdoing these hearings have revealed.

Our counsel has prepared a preliminary draft of such a statute for the subcommittee's consideration, and a copy is attached to my statement.

We do not argue for the particular form or wording of the draft. We offer it to the subcommittee as a basis for its own judgment in the matter.

Finally, I earnestly express the hope that the incidents of quiz show rigging, which were utterly without conscience, will not be regarded as representative of the television business as a whole.

It is easy, faced with all the evidence of fraud, which has been developed in these hearings, to forget that these incidents were the acts of certain producers in a few programs within a particular category of programing.

But to put these reprehensible acts into perspective, it must be remembered that the network service consists of a wide range of entertainment programs of great scope and genuine appeal. And beyond the entertainment field, it includes a responsible and comprehensive news service, public affairs programming, and information programs presenting the issues and personalities of our times.

Indeed, television today is the broadest source of information and knowledge on our world and times available to all the public.

This service has been developed and created on the basis of the responsibility which broadcasters recognize they owe the public.

Their sense of responsibility can be trusted to continue and enlarge the values of this service, and to create effective safeguards in the future against deceptions on the public, which relies on broadcasting as a major source of its entertainment and information.

I have tried to give you NBC's considered position on the quiz show situation and its implications for the future of the television medium. We recognize that others differ with us, but I think we can all agree that this subject deserves the deepest thought and fullest airing we can give it.

The public is vitally interested in these problems and in any contributions this subcommittee may offer toward their solution.

In view of that interest, I want to make the following proposal on behalf of the National Broadcasting Co.:

When the subcommittee has weighed all the testimony and formed its conclusions and recommendations, I believe it should have an opportunity to give the American people a direct report of its findings in the most far reaching and appropriate way, through television itself, and through the radio. The mechanics of such a presentation would have to be worked out.

I believe, for example, that there may well be some differences and the major points of view should be represented.

Perhaps a forum of subcommittee members would be the right approach.

In any case, NBC will be pleased to set aside an appropriate period for a special broadcast of this kind during evening viewing hours when tens of millions of Americans are at their sets. We would carry such a broadcast ourselves or we would be glad to share it with the other networks, if so desired.

If Chairman Harris will let me know when this would be feasible, I will undertake the necessary arrangements.

Now, I want to thank you for letting me come here, and I will be happy to answer any questions you may have.

May I say that while I invited questions during the reading of the statement, I appreciate the fact that the committee did not ask me any, thereby enabling perhaps a more continuous and coordinated flow of information.

(The draft of suggested statute follows:)

**DRAFT OF STATUTE MAKING RIGGING OF BROADCAST CONTESTS A CRIMINAL OFFENSE
(FOR POSSIBLE ADDITION TO U.S. CRIMINAL CODE)**

Whoever, in connection with a program broadcast by means of any radio station for which a license is required by any law of the United States, knowingly participates in any scheme or artifice to control the outcome of a contest portrayed on such program so that the public listening to or viewing such program is deceived into believing that the outcome of such contest is determined upon the basis of the knowledge and skill of the participants in such contest in answering questions put to them when in fact the outcome of such contest has been predetermined by such scheme or artifice, shall be fined not more than \$—— or imprisoned not more than —— years, or both.

The CHAIRMAN. Thank you, Mr. Kintner.

We do have a procedure, unless circumstances warrant, that we permit a witness to conclude his statement; otherwise, he may never get to conclude it.

You have given a very comprehensive statement. Observing your reputation as a reporter, I wondered whether we would ask the questions or give the answers.

Mr. KINTNER. I would think, Mr. Chairman, there would be no one on the program except the members of the subcommittee, and I imagine you could both question and answer each other, if that was your desire.

We are very serious; we do believe that the American public should get the facts directly from this investigation, and should get them through the members of this subcommittee in a manner that we could amicably work out between yourselves and ourselves.

The CHAIRMAN. I do understand the sincere invitation with it. Being a little facetious, I doubt very seriously if we held some sort of an executive session to the TV public that it would get a very high rating in the country.

Mr. KINTER. I would doubt if it would beat the Dinah Shore or Perry Como shows, but on the other hand, I don't know what goes on in the executive sessions. Perhaps you would get a bigger audience.

The CHAIRMAN. We do thank you for the excellence of the comprehensive statement you have given concerning the position of NBC involving this highly important problem.

It does present the real question, not only to the American people and those of you in the industry, but the subcommittee, when we are charged with responsibility of determining what legislation, if any, should be recommended.

It is a real problem that faces us. Most everyone is of the opinion that something has to be done, but whether it is legislatively or otherwise, has yet to be determined.

Mr. Lishman will inquire.

Mr. LISHMAN. Mr. Kintner, I wonder if we can get clarification of a statement made on page 10 of your prepared statement, relating to the telegram of October 6, of this year, which was sent by Mr. Charles Van Doren to the chairman of the subcommittee.

As I understand the testimony we have heretofore received, the telegram that was sent to the subcommittee by Mr. Van Doren was approved by officials of NBC; is that correct?

Mr. KINTNER. I don't think that is what the statement says, Mr. Lishman.

Mr. LISHMAN. No; but I am trying to clarify the statement.

We have testimony before us—

Mr. KINTNER. Could I tell it in sequence? Perhaps it would be more helpful?

Mr. LISHMAN. If I can ask the question, you will see the point I am trying to make.

Mr. KINTNER. I was not present in the office at the time the telegram was sent. Mr. Stabile, vice president of NBC, chief of our talent negotiations, was in the room, and I can testify what I told Mr. Stabile to do in his contact with Mr. Van Doren and his lawyer.

If you would like the details, I am sure Mr. Stabile will be happy to testify what happened.

Mr. LISHMAN. I just wish to point out that in answer to questions of Mr. Moss, Mr. Van Doren testified that the telegram was approved by officials of NBC. Did you know that that telegram was so approved?

Mr. KINTNER. Using the word "approved," is what throws me off. I will tell you exactly what my understanding was. I asked Mr. Stabile and Mr. Levy to come to my office, which they did, together with our outside counsel, and Mr. Sarnoff was also present. We had seen some implication in the newspapers from the testimony of Mr. Stempel for the first time that Mr. Van Doren might be involved.

It was very indirect and vague. I asked Mr. Levy, as the head of programing, and Mr. Stabile, as head of our talent negotiations, together with our attorney, to get hold of Mr. Van Doren and his lawyer and suggest that he volunteer to testify before this committee.

Mr. Stabile, in the meeting said, "Well, what if he won't volunteer?"

Then I said, "Your instructions are to tell him that he will be suspended."

My instructions were that in the interest of NBC—as an employee of NBC, because of the implications, he should volunteer to the committee to testify.

Mr. LISHMAN. I want to call your attention to the record, since you are president of the company: the telegram of October 6, from Mr. Van Doren, advises that at no time was he supplied any questions or answers, and its whole tenor is to the effect of a denial of receiving any assistance or advice in his appearance on "Twenty-one."

Mr. KINTNER. So I understand. I did not know that.

If I may continue the sequence—I went home. About 11:30, Mr. Stabile woke me up and he said, "Mr. Van Doren will not volunteer in the sense of saying 'I want to go,' but he did say that he will be made available, and such a wire is being drawn by Mr. Van Doren and his attorney."

I did not know the text of the wire until subsequently.

Mr. LISHMAN. I wish to call your attention to certain testimony of Mr. Charles Van Doren before the subcommittee on November 2, and then ask you a question.

This is at page 34, in answer to questions by Mr. Springer. It is with reference to the meeting, apparently, that Mr. Van Doren had with NBC officials prior to the sending of this telegram.

Mr. KINTNER. Of October 6?

Mr. LISHMAN (reading) :

Mr. Springer: Would you tell the committee what portion of the truth you did tell them in that conference?

I had better precede that. Mr. Van Doren in answer to an earlier question said:

They did not ask me any questions I told them, as I said in my statement, more of the truth than I had told them before, but still not the whole truth.

Mr. SPRINGER. Would you just tell the committee what portion of the truth you did tell them in that conference?

Mr. VAN DOREN. I told them Mr. Freedman had offered me assistance and that I had refused. I also told them that Mr. Freedman had rushed to the grand jury and had implicated me and that was the reason I was afraid to appear and testify. I also told them that to the best of my recollection it was in answer to a question that they asked me, and that question was, to the best of my recollection: Did Mr. Freedman ever ask you for any money? I recall that I told them at one time, and I think it was toward the latter half of the month of January, Mr. Freedman told me that I was going to be the first contestant to win more than \$100,000. At that time that was considered to be a very important event.

The question I would like to ask is this : In view of this telegram of Mr Van Doren's the tenor of which is a denial that he had participated in a fixed show, according to his sworn testimony before this committee, before this telegram, which was approved by NBC, was sent to the subcommittee, he had advised NBC officials that he had been told in advance in January that he was going to be the first contestant to win more than \$100,000.

If Mr. Van Doren's testimony before us is true, how could officials of NBC could approve a telegram which did not really tell this subcommittee the full facts?

Mr. KINTNER. Mr. Lishman, I don't believe they did approve the telegram.

What I do believe is that they told Mr. Van Doren that he would either indicate to the committee he would come down and testify or he would be suspended. That was on October 6. I did not see the telegram, nor did Mr. Sarnoff. Whether Mr. Stabile saw the actual text that night, I do not know. He is in the room and can be asked.

This leads up, Mr. Lishman, to the October 8 meeting. The following day, which I believe was a Wednesday, I went to Philadelphia. I was not in the office on Wednesday. This is on the basis of statements made to me.

Around noon of the following day, Mr. Stabile got in touch with Mr. Adams, who is executive vice president, and Mr. Sarnoff, who is chairman of the board, had a meeting with them, according to the story which, as I say, is secondhand, but he is in the room and can testify directly to it, where he told them he went out to buy Mr. Van Doren a sandwich.

He had been in a very agitated mood, and he had said two things basically: I was offered questions but I never took them. No. 2, the producer tried to get a loan from me for \$5,000. This is Mr. Van Doren.

I returned on Thursday, which I believe was October 8. We had a discussion of it, and it was our decision, as you know, sir, to notify the House subcommittee of these facts and present an affidavit from Mr. Stabile to that effect.

Before we did so, we read this affidavit to Mr. Van Doren with his attorney present. We asked him whether he would give us any facts concerning any knowledge. On the advice of his attorney he refused to testify, and we suspended him.

Mr. LISHMAN. I think it would be important to clarify the state of the record as it now stands.

It appeared that on October 6, prior to the sending of this telegram by Mr. Van Doren to this committee, at least with the knowledge of NBC as to its contents if not its approval, the tenor of it is contrary to material facts which Mr. Van Doren swore before this subcommittee he had disclosed to NBC officials.

I think that is a part of the record that really requires clarification as a very important matter.

Mr. KINTNER. As I say, Mr. Stabile is in the room. He is the man who was present. I can only repeat what he told me. He told me that Mr. Van Doren continuously denied at the meetings with him that he had ever gotten questions and answers. At dinner, the only thing that he did say was that he had been offered questions and had not taken them; that a producer had tried to borrow \$5,000. NBC management did not know about this until the following day, and 24 hours later we suspended Mr. Van Doren.

Mr. LISHMAN. Mr. Kintner, I would now like to turn to page 2 of your prepared statement.

At page 2 you stated:

It was in mid-August of 1958—

the first time you had any reason to believe that any quiz show was engaged in collusion with its contestants. I don't understand the meaning of "collusion" there.

Would you first explain that word?

Mr. KINTNER. It was the first time that I had any information that questions and/or answers were being given to contestants that were appearing on quiz shows.

Mr. LISHMAN. Was it the first time you had any information that controls of any kind were being exercised on quiz shows?

Mr. KINTNER. That is correct.

Mr. LISHMAN. In that respect, Mr. Kintner, I would like to call your attention to an article which appeared in Time magazine, April 22, 1957, more than a year before this time, entitled "The \$60 Million Question" and the opening sentence in this article, which indicates its tenor, is: "Are the quiz shows rigged?"

It points out with reference to a number of quiz shows that there was a great deal of suspicion that these shows were being rigged, including "Stop the Music," "Two for the Money," "Do You Trust Your Wife?," "Twenty-one," "\$64,000 Question," "What's My Line?," "Why Trust Your Wife," "Strike It Rich," and a number of others.

The article concludes by saying:

Given a margin of error for the contestant's human foibles, the producers seem to be able to control virtually everything except their own fears of losing their audience.

Now I ask you, Mr. Kintner, why it was that it took you until mid-August 1958 to have reason to believe for the first time that there was any question about the authenticity of these quiz shows?

Mr. KINTNER. Mr. Lishman, I did not read the article in Time in 1957, so I did not have that information. I have said that I had no knowledge—and I had no knowledge—until I was called to the Colgate-Palmolive office in the middle of August 1958.

Mr. LISHMAN. Did any of the officials or executives of NBC report to you about this article?

Mr. KINTNER. No, and I would not particularly expect that a report—

Mr. LISHMAN. Well, I will tell you—

Mr. KINTNER. "No, they did not," to answer the question. No, sir.

Mr. LISHMAN. I will refer to another article in a national publication, Look magazine for August 20, 1957. This article is entitled, "Are TV Quiz Shows Fixed?"

Again, this article refers to numerous NBC shows as well as shows on CBS. Did you have any knowledge of this article, or was it ever discussed by officials of NBC in your presence?

Mr. KINTNER. No, sir; I do not have any knowledge: nor was it ever discussed in my presence.

Mr. LISHMAN. Did you assume, up until mid-August 1958, that no controls were being exercised on quiz shows?

Mr. KINTNER. I did.

Mr. LISHMAN. Now I would like to turn to page 9 of your statement, Mr. Kintner, and to the second paragraph, the second sentence. The following sentence appears:

Prior to the start of these hearings—

meaning our subcommittee hearings—

in October, we learned that Howard Felsher, the producer of "Tie-Tac-Dough," had been called to appear.

Does that mean that you knew then that he had been called to appear before the grand jury?

Mr. KINTNER. That means he had been subpoenaed by the House committee.

Mr. LISHMAN. When did you first know that Mr. Felsher had appeared before the grand jury of New York County?

Mr. KINTNER. At approximately the same time as we asked him for an affidavit.

Mr. LISHMAN. And when was that?

Mr. KINTNER. Sometime in October. I don't have the exact date. I can get it for you, though.

Mr. LISHMAN. Do you know that executives of your company more than 1 year prior to that time knew that Mr. Felsher had been called before the grand jury?

Mr. KINTNER. I have heard reports that certain people in the program department knew he had been called before the grand jury, but had felt that in view of the fact that the information was gotten informally, apparently it need not be passed on to our legal department. I gather it was not.

Mr. Ervin is in the room and can testify.

Mr. LISHMAN. Did you know that a year before this time the district attorney of New York County had subpoenaed the records of "Tie-Tac-Dough"?

Mr. KINTNER. What period are you talking about?

Mr. LISHMAN. The October date of 1959.

Mr. KINTNER. October 1958, do you mean?

Mr. LISHMAN. Yes.

Mr. KINTNER. Yes. Because our attorneys went to the district attorney and offered our full cooperation. We looked over "Tie-Tac-Dough" with a fine comb, and even Mr. Felsher testified that there was nothing wrong with the show after we had taken over production.

Mr. LISHMAN. In view of the fact that for more than a year you knew the records of "Tie-Tac-Dough" had been subpoenaed by the grand jury of New York County and that certain officials of your company had known that Mr. Felsher, as producer, had been subpoenaed as a witness before that body, do you not think it is rather strange that some officials in NBC had not questioned Mr. Felsher or looked into the matter to ascertain whether a show which was still being continued on the air was not fixed, or had been fixed in the past?

Mr. KINTNER. In hindsight, perhaps we should have examined Mr. Felsher.

Our legal department did not. I don't know whether they should or not, but in view of Mr. Hogan's request not to interview the witnesses he was calling before the grand jury, as I said, we reviewed "Tie-Tac-Dough" backward and forward from the day we took it over in October 1958, and according to Mr. Felsher's testimony there were no irregularities.

Mr. LISHMAN. Mr. Kintner, as a result of the investigation so far, it appears that the practice of rigging quiz shows was widely practiced throughout the entire industry; but in the light of this, how is it possible that network officials, who are certainly knowledgeable in the ways of the industry, did not know of this deception?

Mr. KINTNER. I can only speak for myself. I did not know it.

Mr. LISHMAN. In your statement you mentioned kickbacks, and that you had started an investigation of such kickbacks.

Did this investigation commence after our subcommittee investigator told you of the committee's suspicions that such practices were going on?

Mr. KINTNER. I don't believe so, Mr. Lishman. I think the way it came about was: We were interviewing contestants on the show, and our investigators interviewed two contestants, one of whom indicated and the other of whom said that they had been placed on the show through the efforts of the warmup man, and as a result they kicked back to him.

The information came to us—these people have been fired—through our investigators. If anything came from the committee, I do not know.

As you know, I have never seen a member of the staff of the committee.

Mr. LISHMAN. Could you tell us the name of this show you are investigating?

Mr. KINTNER. Yes, I will. The show is "Treasure Hunt."

Mr. LISHMAN. You are not looking into any other of your shows?
Mr. KINTNER. We are looking into all of them.

Mr. LISHMAN. On page 26 of your statement, Mr. Kintner——

Mr. KINTNER. I want to make clear on "Treasure Hunt" the information concerning the alleged kickback was given to the district attorney for such action, because we do believe there may be a violation of the New York statute.

Mr. LISHMAN. I don't know, Mr. Kintner, whether you are familiar with the testimony the subcommittee has received yesterday and this morning.

Mr. KINTNER. No, I am not, sir. I was waiting to appear and I am not familiar with it.

Mr. LISHMAN. We have received testimony from at least one company and its officials that they regarded it as a common practice in the industry to pay money to producers of television shows in order to get so-called free plugs on a program which was sponsored by another company.

Is that confined to a narrow area, or would you say that is a prevalent condition?

Mr. KINTNER. If I understood you correctly, to pay money to a producer of a show to get someone on a show?

Mr. LISHMAN. Or to employees.

Mr. KINTNER. Or to a staff member?

Mr. LISHMAN. Yes.

Mr. KINTNER. I would not say it is prevalent. If anybody at NBC did it, we would consider the conduct unbecoming an employee. I did not hear the testimony and I am confused as to whether you are talking about——

Mr. LISHMAN. I will tell you.

The witness, Mr. Levine, this morning, who is public relations man for the Hess Department Store in Allentown, testified that an amount of approximately \$1,000 was paid in order to enable a plug for the Hess Department Store to be made on your program, "Today," the Dave Garroway show.

Mr. KINTNER. To whom was the payment made?

Mr. LISHMAN. To a public relations man, whose name is Di Grandi.

Mr. KINTNER. I don't know Mr. di Grandi, but I thought the question you asked me, was money paid to a producer or a member of the staff.

Di Grandi has nothing to do with the station.

Mr. LISHMAN. We have not yet developed who Mr. di Grandi had to see on the "Today" show in order to get this plug. But the testimony was that the money was paid to Mr. di Grandi, and in turn the result was that the plug did appear on the show.

Mr. KINTNER. As I say, not knowing the testimony, I can't make a comment on the Hess testimony.

However, the way you have described it, it would appear to me that this probably happened, that the "Today" show is interested in interesting people, Members of Congress, the Government, military, et cetera. The people are constantly going out and looking for them.

I shouldn't testify to this, because I don't know what he said, but apparently some public relations firm told the Hess Department Store that they could get some interesting person on "Today." But

I don't believe in any manner, shape, or form, if I understand you correctly, that is a reflection on Mr. Garroway of the "Today" show.

Mr. LISHMAN. This is no reflection on Mr. Garroway whatsoever. But I am interested in learning where you say in your statement that the abuses apparently were confined in a few programs, within a narrow area.

We have had testimony to the effect that this kind of practice, which I have just mentioned to you, is rather general. Is that true?

Mr. KINTNER. If you are asking me whether I believe the practice of paying producers, staff members, on an undercover method is general, I do not think so.

Mr. LISHMAN. Would you consider that reprehensible?

Mr. KINTNER. I certainly would, if the payment was made to the producer or the staff member.

You understand the operation of all of these types of shows, for example—and this is just a theoretical example—if Miami wants the "Today" show to come to Florida, in order to boom for tourists, the program, itself, may be paid some of the costs of transportation, but it does not go to the individuals or the staff, and it is part of the budget of the show.

I would not consider the example I gave as reprehensible.

If you are saying to me that somebody paid anybody on the staff of "Today" money in an undercover way, to get the person on the "Today," he shouldn't be working for NBC. If you give me his name, he won't be.

Mr. LISHMAN. I have no further questions.

Mr. MACK. Mr. Kintner, you agree now, I presume, that the shows are rigged or have been rigged?

Mr. KINTNER. Yes, there is no question.

From the testimony of Mr. Van Doren and the previous testimony, there is no question of it.

Mr. MACK. I appreciate all your recommendations here.

I wonder if you could solve all of your problems on rigging and dishonesty, hanky-panky and all this, by originating all of your shows from Chicago.

Mr. KINTNER. We are very partial to Chicago. We have a radio and television station. I think it is a suggestion worthy of at least consideration, Mr. Congressman.

Mr. MACK. I hope you will give it serious consideration, along with your other recommendations.

Now, Mr. Kintner, along with what Mr. Lishman was asking you about the advertising agencies, someone has said that they are the real culprits.

Would you subscribe to that statement?

Mr. KINTNER. I would not, sir, no.

The advertising agencies?

Mr. MACK. Yes, sir.

Mr. KINTNER. Are we talking about the quiz shows?

Mr. MACK. Yes, sir.

Mr. KINTNER. No, I would not.

Mr. MACK. On other TV programs?

Mr. KINTNER. I would not; no, sir.

Mr. MACK. Are you aware of the fact that there are other instances, other than the ones mentioned by Mr. Lishman, concerning payoffs, to advertising agencies, to secure appearances on television?

Mr. KINTNER. If I follow your question, Mr. Congressman, you asked me whether I know an instance where an advertising agency is given money to get somebody on one of our shows; is that the point?

Mr. MACK. Yes, sir.

Mr. KINTNER. No, I don't.

Mr. MACK. I think that was the point made a few minutes ago, that that was the case, in the case that Mr. Lishman inquired about.

Mr. KINTNER. The Hess case?

No, I do not know of any advertising agency that has received money in order to get a participant on one of our shows. There always can be exceptions, but I can't believe any responsible manager or advertising agencies would do so.

Mr. MACK. Mr. Foreman said he knew the "\$64,000 Question" was controlled.

Mr. KINTNER. I did not know it.

Mr. MACK. I am not accusing you of having the information, but he is associated, at this time at least, he is associated with an advertising firm?

Mr. KINTNER. Yes, he is.

Mr. MACK. My question is, do you completely discount this and grin when you say, "Well, that is not our fault, that is the fault of the advertising agency"?

Mr. KINTNER. No, sir.

Mr. MACK. If I understand your business directly, and I know very little about it, it takes somebody on the inside to agree to take this person on the show. Am I correct?

Mr. KINTNER. Yes, the production staff, whether it be the show operated by an inside or outside producer, they choose the contestants. But to go back to your other question, I do not know of any agency that influenced any show in the quiz field in the National Broadcasting Co.

Mr. MACK. Would you not accept Mr. Foreman's testimony?

According to the testimony of Mr. Foreman, he was aware, the advertising agency was aware, of the rigging of these shows.

Have you ever given it any thought, about their participation? Or do you just throw up your hands when it is in the hands of the advertising agency and pass it over?

Mr. KINTNER. I think it would be inexcusable to permit an advertising agency or anyone else to enter a conspiracy to rig a quiz show.

Mr. MACK. The National Broadcasting System is not regulated by the FCC, is it?

Mr. KINTNER. The National Broadcasting Co. is not.

However, we are regulated by the FCC through the licenses of our own stations, which, of course, are our lifeblood.

Mr. MACK. Do you have two separate corporations, one for your own stations and one for your network?

Mr. KINTNER. No, we do not.

Mr. MACK. How are you associated or affiliated with your independent stations?

I think some of them say they have a primary affiliation with NBC.

Mr. KINTNER. We abolished the primary affiliation about a year ago. We have regular contracts with a group of several hundred television stations to whom we agree to supply service, and they agree to accept the service, subject to their final decision as to whether or not they want the individual programs.

Mr. MACK. So you have affiliates now?

Mr. KINTNER. Yes. We only own five television stations.

Mr. MACK. Do you exercise any control over these individual stations or not?

Mr. KINTNER. In the running of their stations, do you mean?

Mr. MACK. Yes.

Mr. KINTNER. No, we do not.

Mr. MACK. Policy?

Mr. KINTNER. No, we do not.

Mr. MACK. I presume you have a circular of some kind you send out to all the stations?

Mr. KINTNER. I don't know quite what you mean, sir, by circular.

Mr. MACK. I imagine you forward them information regularly other than just the normal programing on NBC?

Mr. KINTNER. Yes, that is correct. We are in constant communication with all our stations on information.

Mr. MACK. Are you aware of the fact that some of the stations permitted advertising agencies to sell time on news programs?

Mr. KINTNER. Do you mean to sell advertisements in a news program?

Mr. MACK. Yes. To sell advertising as news.

Mr. KINTNER. No, I am not. I misunderstood your question at first.

Mr. MACK. I am somewhat amazed.

You have been in this business for so many years. How long has that been?

Mr. KINTNER. Since 1944.

Mr. MACK. And you have never heard of any kind of an illegal arrangement such as the one I mentioned?

Mr. KINTNER. No.

If you are talking about selling advertising as news, no, I have not, sir. I know our stations don't do it.

Mr. MACK. Well, I haven't mentioned your stations at all. But I wanted to know if you were aware of the fact that that operation existed with some of your affiliates.

Mr. KINTNER. No, I am not, sir.

Mr. MACK. Does your network act as advertising agency for affiliated stations in optional agreements?

Mr. KINTNER. We represent a limited group of independent stations on what is called in the business spot representation, where we represent them in New York, getting advertising business for them, in whatever their locality, and also represent them in Chicago and the other principal centers of advertising.

Mr. MACK. So in limited capacity, you do serve as advertising agent?

Mr. KINTNER. Yes, we do.

Mr. MACK. You should be very well acquainted with a lot of the advertising agents.

I have here, and for your information, if I did not make it clear, I have before me information about an advertising firm and the

station which had sold time. The advertising firm had agreed to deliver an individual onto a news program for a specified amount of money. They can do that, I presume, only if they have the agreement from the personnel in the television station.

In these cases where you speak about "Today," and these other programs, some of which are on NBC, I think that that certainly should concern you, and immediately you would find out who was cooperating with these advertising agencies to make it possible for them to have public appearances on the program for pay.

Mr. KINTNER. As I say, I am sure in our own stations it does not exist. If it exists on any of the stations that we represent, and you will tell me confidentially or publicly the name, we will look into it. I am just unfamiliar with what you are asking, frankly.

Mr. MACK. But you have been in the business for many years, and you are not aware of these practices?

Mr. KINTNER. No.

I think whatever they may be, Mr. Congressman, they must be very rare exceptions.

Mr. MACK. I think that they are exceptions, but my point is that they do exist and have existed for many years, for several years, and I would think you would have heard about them by this time.

I notice that you had a lot of affidavits, that you had been gathering affidavits, from various people concerning the programs, that you have them sign an affidavit to say that they are not fixing or rigging these programs, and then you have in most instances just forgotten about the affidavits.

Is that correct?

Mr. KINTNER. The affidavits we obtained, we could not check them, because during the time the grand jury was in session, and until the presentment came out, we had agreed not to interview contestants.

I am not a trained investigator, but our people tell us the only way that you can get to this is to go to the contestants and find out.

Mr. MACK. Is this not about the same thing, in some instances, as an insane man having an affidavit in his pocket certifying that he was not crazy?

Mr. KINTNER. But since the grand jury has finished, we have been using a series of ex-FBI agents to do the very thing you are talking about, but we did not do it until the decision was made regarding the presentment.

Mr. MACK. I would like to ask a couple of questions about the Van Doren appearance on NBC. I want to see if I understand the sequence of events correctly.

Mr. Van Doren appeared on a program on your network at that time, by prearrangement having agreed to rig the show; is that correct?

Mr. KINTNER. I understand that from the testimony, yes. I was not in NBC at this particular time, understand.

Mr. MACK. Following that, then the NBC rewarded him for cooperating with the producers by giving him a \$50,000 a year contract?

Mr. KINTNER. I don't think that is a fair description of the reasons for hiring Mr. Van Doren.

Mr. MACK. I agree, and I will be glad to withdraw that.

Mr. KINTNER. I believe he was hired because he looked like a very attractive personality for television. He was actually hired, although I had nothing to do with it at the time by Emanuel Sacks, who was then head of programming and talent, at the National Broadcasting Co., one of the outstanding talent people. He is the person who first discovered Dinah Shore, for example.

Mr. Van Doren had gotten an agent called the Music Corp. of America. They talked to Mr. Sacks and Mr. Sacks felt he could be built into an important television personality that would appeal to the public.

Mr. MACK. But the point I was trying to make is that he was rewarded after his appearance on "Twenty-one" by receiving the contract.

Mr. KINTNER. Yes, but Mr. Sacks or no one at NBC knew that he had rigged the show. They thought he was a great personality, intelligent, bright fellow.

Mr. MACK. Finally he appeared before the grand jury, and, of course, none of us condones his action before the grand jury, but nothing was done after that time; is that not correct? He went on his program every day?

Mr. KINTNER. First of all, we had no suspicion. When the Stempel-Snodgrass stories appeared—

Mr. MACK. But he lied at that point, did he not?

Mr. KINTNER. He certainly did.

He came to us, not to me personally, to Mr. Garroway, on "Today," and said, "All those stories by Stempel and Snodgrass are lies. I have never received questions or answers."

He asked for permission to appear on the "Today" show and read a very moving statement that he had never gotten any questions or answers, he didn't think anybody else did, he didn't know anything about it, and we believed him.

Mr. MACK. You were delighted to hear that?

Mr. KINTNER. I am delighted to hear anyone who is honest.

Mr. MACK. But he was not being honest at that time, was he?

Mr. KINTNER. No, he was not.

Mr. MACK. And still you took no action?

Mr. KINTNER. We had absolutely no suspicion, and we did not have any suspicion until October 6 of this year, which is just last week.

Mr. MACK. No suspicion at all?

Mr. KINTNER. No.

Mr. MACK. Not even after your tipoff of the year before?

Mr. KINTNER. On Mr. Van Doren?

No, we had no suspicion.

Mr. MACK. I thought you had information that the shows were rigged in August 1958?

Mr. KINTNER. That is correct. But I thought you were asking me about suspicion of Charles Van Doren.

Mr. MACK. Then, as a matter of fact, you did not suspend him at all or even consider it until we had invited him down before this subcommittee; is that correct?

Mr. KINTNER. No, we did not. I don't think that is the proper reason.

What we did was, there was a story that came out, I believe, on Monday, October 5—don't hold me to the dates as they are general—in which there were several sentences that implied that Mr. Stempel or Mr. Enright had implied, either in your executive session or publicly, that Mr. Van Doren might be involved. We then felt as an employee of NBC it was his obligation to volunteer as a witness.

Mr. MACK. You did not have any idea of it before that time?

Mr. KINTNER. No. I thought he was going to say he did not receive questions and answers.

Mr. MACK. You took his word for it and that satisfied you?

Mr. KINTNER. Yes. We felt that he had an obligation to appear before you as an employee of NBC.

Mr. MACK. And then after he appeared before our subcommittee and told all, I think ultimately, he made one of the best witnesses to appear before this subcommittee, then you immediately said you were surprised at his testimony and fired him.

Is that not the sequence of events?

Mr. KINTNER. We were surprised. We debated on the basis of the inquiry, whether or not we could keep him in our employ. We decided that we could not have two standards, and he was not typical of the kind of people that should work for NBC. He has everybody's sympathy, I am sure, because Mr. Van Doren is a very attractive looking, a pleasant, and nice boy, who is very bright. It was a hard thing to do. We felt we had to in order to maintain our integrity and the integrity of our broadcasting system.

Mr. MACK. Did you know that one of your employees had encouraged him to commit perjury before the grand jury?

Mr. KINTNER. No, sir; I did not, and I do not know it now.

Mr. MACK. Well, I think that was the case.

Mr. KINTNER. I don't believe it is the case, Mr. Congressman. Who was the employee?

Mr. MACK. If I remember correctly, and I certainly want to be corrected if I am not correct, it was Mr. Freedman.

Mr. KINTNER. Mr. Freedman, first of all, was fired. He was not an employee of ours. He was an employee of Barry & Enright.

Mr. MACK. But you owned Barry & Enright, did you not?

Mr. KINTNER. We bought it subsequently. But Freedman is not working for us. He was fired. The minute he testified—I am sorry. The minute he wouldn't sign an affidavit concerning the operation of "Tic-Tac-Dough," he was removed, fired.

Mr. MACK. Is that Felsher or Freedman that you are speaking of?

Mr. KINTNER. Well, Felsher is the example of "Tic-Tac-Dough." I am sorry. Freedman was on "Twenty-one."

Mr. MACK. Yes.

I think under the circumstances, while he did not follow through, there were several conferences and the encouragement was given. I still don't condone his actions, but encouragement was given.

Mr. KINTNER. Encouragement was given to whom, Mr. Congressman? I am bewildered.

Mr. MACK. To Mr. Van Doren.

Mr. KINTNER. By an executive of NBC?

Mr. MACK. I think Mr. Freedman testified that he had told Van Doren that he was going to lie before the grand jury.

Mr. KINTNER. Mr. Freedman, as I read the testimony, as I read the newspapers, said he met with Mr. Van Doren at the time of the grand jury and they both agreed to lie. Mr. Freedman doesn't work for NBC. He was part of the Barry & Enright organization that we took over and is no longer employed there.

Mr. MACK. What I cannot understand is, immediately when you find that a person is not associated with you, then you discount it as not being a part of your responsibility.

I stopped into one of my television stations and I said to the manager, "How do you feel about carrying these fraudulent, deceptive shows?"

He said, "It is no business of mine. They are fed to me by NBC or CBS, as the case might be."

That is not quite the case in his case and that is not quite the case in your case. Is it not true that you eventually bought these productions?

Mr. KINTNER. Yes; we did.

Mr. MACK. And you bought them a year after—

Mr. KINTNER. We bought them in the spring, in 1957, on the basis that "Twenty-one," which was just a top show, was going to be sold to another network.

As part of our agreement in buying them, we agreed to let Barry and Enright run them, in their production company of Barry & Enright.

Mr. MACK. I am consuming too much time, but you mentioned the double standards of morality.

I have noticed in this particular instance there is an educator from Northwestern University who has been—well, who participated in the deception from the very beginning, as I understand it. He has been making pronouncements even within the last week that they are not really rigged. Part of his testimony was included as testimony before this subcommittee.

Between the two, I think that he is much more deserving of being fired, if he continues to mislead the public, than the man who comes clean. Don't you?

Mr. KINTNER. I am not familiar with whom you are talking about.

Mr. MACK. His name is Dr. Evans at Northwestern University. I know he does not work for your network, so you probably are not interested.

Mr. KINTNER. I can't pass judgment, but it is the NBC policy that if we find employees of ours who are running deceptive practices—

Mr. MACK. I am not going to prejudge the case, but if it should develop that the representatives of Revlon yesterday committed perjury before this subcommittee, would you accept advertising from them in the future?

Mr. KINTNER. That is a difficult question.

Mr. MACK. I thought it would be.

Mr. KINTNER. Mr. Congressman, I would like to answer you.

Revlon is a publicly owned company. It has, I believe, thousands of stockholders. If the hypothetical case that you advance, and there is a change, for example, in the management, I would certainly not want to take the position that thousands of stockholders that put their money into Revlon Co. should suffer from an advertising viewpoint because of the hypothetical example that you gave.

Mr. MACK. It is strictly a hypothetical case. But with a little transferring of stock and putting a new name up there, would that satisfy NBC?

Mr. KINTNER. If a large company's president does something for which he gets fired, and it is, say, a criminal act, for example, and there have been cases, I don't believe that corporation and its executives that run it, its stockholders, should be prejudiced by the action of this individual, whom I presume, if he is guilty, would be punished by laws that we have, both Federal and State.

Mr. MACK. I agree with you that you should not have a double standard of morality. I have always had a great deal of respect for NBC and its officials. But it seems to me that you are not sufficiently interesting yourself in this problem.

I personally cannot believe that you, with all of your experience, could serve in the television and radio work for this length of time, and not know what was going on.

Mr. KINTNER. Mr. Congressman, I testified under oath I did not know and I do not know.

Mr. MACK. Thank you very much.

Mr. BENNETT.

Mr. BENNETT. Mr. Kintner, following up some of the questions Mr. Mack asked you, I do not at all question your modesty or integrity, and certainly if you say you had no knowledge of these things that were asked of you, I believe that.

Mr. KINTNER. Thank you, sir.

Mr. BENNETT. But on the other hand, I get the impression from your statement, and the facts that the subcommittee has, that NBC was something less than diligent in trying to get to the bottom of these rigged quiz shows, and particularly, in your case, the program "Twenty-one."

Mr. KINTNER. I think we were diligent.

Mr. BENNETT. You think you were diligent?

Mr. KINTNER. I think we were handicapped by an inability to interview contestants, which was requested by the district attorney, and I think that we were right to agree.

In hindsight, as a result of the conspiracy between four or five people, producers of "Twenty-one" and certain contestants, I believe that we, in hindsight, should have had the standards working in our unit that we have set up as it is now.

Mr. BENNETT. It seems to me that you ought to have more than standards working.

Mr. KINTNER. We do have more than standards.

By standards, I mean procedures. We have trained investigators working on it. We have an independent auditing firm working on it.

Mr. BENNETT. You do now, and I think that is certainly a step in the right direction.

But looking at the situation which has resulted, which everyone, I think, including myself, agrees is unfortunate, it seems to me that you placed a lot more confidence in the advertising firm that was putting on "Twenty-one" than you should have.

Mr. KINTNER.. Perhaps that is correct, Mr. Congressman.

Mr. BENNETT. I did not finish.

Mr. KINTNER. Excuse me.

Mr. BENNETT. In view of the stories that appeared in Time magazine and Look magazine, which Mr. Lishman referred to, I am sure that with the efficient organization that NBC has, somebody in the top echelon knew about the story in Time, and knew about the story in Look. While you certainly could not be expected to accept those stories at face value, yet they presented a serious picture, a serious state of affairs with reference to these shows.

To let those stories go by the board and then to wait until a contestant came out with a charge, and then dismiss that on the basis of representations to you by the producers, just seems to me not to be the right kind of a way to get at the facts of the situation. It seriously involves the broadcasting interests.

Mr. KINTNER. We think we used every means at our disposal. I think the best way to answer your question is that we were certainly deceived by Dan Enright. There is no question about it.

Mr. BENNETT. Should you have been, really, when you had all of this other information?

I mean should you have accepted his word against the word of a contestant, even though somebody said the contestant was psychotic?

Mr. KINTNER. It is very hard to put yourself back in that period. Dan Enright was one of the most reputable producers. Together with his partner, Jack Barry, they had had numerous network shows. It turned out we were wrong.

However, I think there was a justification for us believing it, particularly at the time of the Stempel charges, because to contrast Mr. Stempel and Mr. Enright at that particular time led our legal department and our attorney to firmly believe Mr. Enright. When the Snodgrass testimony came out and was published, when he appeared before the grand jury, we began to have doubts.

We immediately, in October, removed Enright from all production, and Jack Barry from appearing; we began the investigation to the extent that we could in not impairing Mr. Hogan's investigation.

Mr. BENNETT. But the Stempel story came out in August 1957, and the grand-jury investigation did not get underway until Snodgrass' story along in August of 1958, a year later.

Assuming that there was some element of doubt as to the veracity of Stempel's story, did NBC make any effort to question any other contestants on this program between August 1957 and August 1958 to determine whether Stempel was an isolated case or not?

Mr. KINTNER. To my knowledge, we did not.

The reason was that these two people came in, they denied it, Barry and Enright; they had said that they had affidavits from Stempel, and newspapers who investigated it did not publish it.

In hindsight I think we should have, but at that time our press and legal department did not believe it was a serious charge, and they did not pass it on to the NBC management.

However, I must say if they had, I can't say that I would have taken any different course.

Mr. BENNETT. You took the word of Barry & Enright? Here was one isolated contestant, he was not reliable and, therefore, the whole thing had no foundation in fact.

It seems to me that there was the area that at the time NBC ought to have looked into, and had you questioned the contestants, I am

sure you would have come up with some answers that would have given you some information that you finally got, a long time before you got it.

On page 10 of your statement you talk about the information that this subcommittee furnished on October 6.

Actually, the subcommittee did not give any information on October 6 that you had not had for over a year before, because the only witness the subcommittee had on October 6 was Stempel.

You had had his story. He told the same story here that he told to the newspapers a couple of years before.

Mr. KINTNER. There is no question about that.

However, we believed that Van Doren was innocent on the basis of the statement he had made to the public and to us.

Mr. BENNETT. I realize that, but you tie up information developed by the subcommittee. This is what you say, on page 10:

Similarly, when evidence developed by this subcommittee raised grave questions about Van Doren's participation in the "Twenty-One" program, we told him it was essential that he appear immediately before the subcommittee and testify fully, and that if he refused to do so, he would be suspended.

Mr. KINTNER. That is accurate.

Mr. BENNETT. The point I am making is that the subcommittee had not given you any information at that point that you had not had all the time.

Mr. KINTNER. The information we had previously had was the denial of Mr. Van Doren. We did not know what he had testified to the grand jury, but there were certain reports that he had denied everything, in addition to which he had denied to Mr. Garroway, for whom he worked.

The implication in the newspaper was our first indication of Van Doren. If you say, Mr. Congressman, that we were wrong, in believing this man was honest, yes, we were.

Mr. BENNETT. No, sir, I am saying that to my mind it is not correct to say that your suspicions arose on October 6, from information that you got from our subcommittee, because the subcommittee on October 6 only had heard Stempel, and all he said was the same thing that he had told the newspapers and everybody else 2 years before.

Mr. KINTNER. I suppose, Mr. Congressman, this is all a matter of judgment, but I would have bet a year's salary on Charlie Van Doren until the day he testified before you.

Mr. BENNETT. I will not belabor the point, but it seems strange to me that with the large and efficient staff that is available to NBC that this kind of thing had to be developed by a congressional committee and the grand jury before something could be done about it.

Now, I want to ask you some questions about the type of plugging, so-called, that Mr. Hess testified about. Do you know him?

Mr. KINTNER. I know of him. I was born in Stroudsburg, Pa., some miles from Allentown. I do not know Mr. Hess. I have never met him.

Mr. BENNETT. He testified to some strange things, or they seem strange to me. He said that for years he has been paying public relations people money to have the name of the Hess firm mentioned on a television program which is not sponsored by his firm, and which, in the course of the mentioning of his name, is not associated with

any sponsorship, advertising or anything else, on the part of the Hess firm.

He mentioned the program "Today." He said that he had an agent—

Mr. KINTNER. Do you mean a public relations agent?

Mr. BENNETT. Yes; public relations. He called him an agent. It was a man he identified as Di Grandi, but that is beside the point.

He paid a man \$1,000, and as a result of that payment, he winds up with a mention of his firm's name on the "Today" program.

Now, the mentioning of his firm's name was not associated with any sponsorship. The firm was not identified as a sponsor, nor was the mention of the name identified as an advertisement of his firm.

What mechanics would have to be employed by this agent, whoever he was, to arrange this so-called plug?

Mr. KINTNER. Can you tell me how it was on "Today"? I did not hear the testimony. How was his name mentioned on "Today," in what form? How was it done?

Mr. BENNETT. I do not know how it was mentioned, except that it was mentioned in a way that was satisfactory to him.

His firm was not identified as a sponsor on the program, nor was the mention of its name identified as an advertisement for the firm.

Mr. KINTNER. Could I move, Mr. Congressman, and perhaps it would be helpful, away from that testimony. Let's take an author that has a new book coming out, and the publishing house has a public relations firm.

"Today's" staff is continuously, as everybody knows, looking continuously for writers, people in government, and so forth. The public relations firm calls the unit that is always looking for people and suggests someone. If the person is satisfactory to the show and fits into the show, that would be a way in which that author could get on the show.

On the other hand, there would be no payment to Garroway or the NBC show for that.

Mr. BENNETT. I am not saying there was any payment to Garroway. I do not know who there was a payment to. Except that taking Hess' testimony, or his employee's testimony at its face value, he paid \$1,000 to some individual, and as a result of that payment the name of his firm was mentioned on the "Today" program.

Mr. KINTNER. I really can't comment competently not knowing exactly about it.

Mr. BENNETT. Has this kind of practice ever come to your attention?

Mr. KINTNER. I don't know the incident. I am giving you an example.

Mr. BENNETT. No, I mean the kind of situation I mentioned. Has that kind of thing come to your attention?

Mr. KINTNER. If you will tell me how Hess' name was mentioned on the program, I will try to describe to you, sir, as to how it might have happened.

Mr. BENNETT. Mr. Kintner, what I am talking about is whether you are aware of the fact that a store owner, like Mr. Hess, will pay \$1,000 to someone and then get his firm's name mentioned on a program like "Today," when he is not the sponsor and has nothing to do with the program?

Mr. KINTNER. There are very ingenious press agents that operate and they are very anxious to get their client's names mentioned on television programs. We have a continuity acceptance department, one of whose jobs, in addition to reading scripts for good taste, et cetera, is to watch for a mention of a product that has no sequence in the story, as, for example, if a western man picked up a cigarette and they inserted the word "Camel" in some way, this department is responsible for keeping them out.

We use every bit of our diligence to keep nonsponsors' names off the air, just as I am sure newspapers and magazines use all their diligence to keep them out of the news columns. Sometimes we slip, sometimes other media slip.

I really can't be responsible for this case because I do not know it.

Mr. BENNETT. Would that be considered a form of deception by the television industry or would it be regarded as legitimate practice?

Mr. KINTNER. If the mention of the product was put into a script that had no reason to be there, it would not be legitimate, certainly.

Mr. BENNETT. And if it had been paid for by the person whose name appeared?

Mr. KINTNER. I am sorry, I thought the payment was made to the public relations firm.

If a producer or a member of the staff of the "Today" show took a payment to get anyone on there, that would not only be deception, but it would be contrary to our policy if we knew about it.

Mr. BENNETT. What could you do, or what would you do if this practice was being carried out in your programs?

Mr. KINTNER. This was a practice that started back in radio, where people tried to get free plugs. All we have done with it in NBC is to have a large continuity acceptance staff to review the scripts and to watch for, among other things, these things.

In addition, we have instructed our program department to instruct our producers that there should not be this type of mention.

If one slips by, our practice has been to get hold of the entertainer or the person involved and say, "We don't want it."

Many of these are on an ad lib basis, which is difficult for us to stop when the show is on the air.

Mr. BENNETT. This practice about which Mr. Hess' public relations man testified here under oath, if that is true or even partially true, is a pretty widespread practice. It seems inconceivable to me, if it works effectively, for a shrewd, smart businessman like Mr. Hess, that other shrewd businessmen would not be using the same kinds of tactics.

If they are, what would you do about it, or what could be done about it? Should anything be done about it?

Mr. KINTNER. Well, Mr. Congressman, we had the system, and I will not redescribe it. I do not think it is correct, out of the concept and sequence of a program, to mention a production name that is not sponsor.

Frankly, it would drive us out of business, because we sell the time to the sponsors.

On the other hand, if I can stick to my example, if A. Johnstone Beck, and this is hypothetical, would appear on the Garroway show with his new book, I would see nothing wrong with Mr. Garroway mentioning his new book.

Mr. BENNETT. So it would depend on the facts and circumstances in each case?

Mr. KINTNER. I think so.

Mr. BENNETT. Would you be interested in getting the information Mr. Hess furnished to the subcommittee as to how he operates?

Mr. KINTNER. Yes, I am at a disadvantage since I was not here and did not hear him testify.

Mr. BENNETT. He did not give us all the information. He just mentioned two or three instances, but he said he has been engaged in this practice for some 10 years, and has spent considerable sums of money doing it.

He is doing it in addition to his regular forms of advertising and programs which he actually sponsors.

Mr. KINTNER. We would be very much interested in looking at Mr. Hess' comments.

Mr. BENNETT. I would suggest that you take a look at the information he said he would furnish to the subcommittee in the very near future.

I have some questions in another area.

In the remedial legislation which you suggest, do you limit it only to quiz shows or contests?

Mr. KINTNER. Yes, we do.

Mr. BENNETT. Why do you do that? In other words, if you are going to stop deception on television programs, should not it apply to anything in the programs?

Mr. KINTNER. I am not a lawyer, but the basic field of deception would be in these two fields. If, on the other hand—I believe it is very difficult to write something. If we put Dinah Shore in a Japanese setting, as we did a couple of weeks ago, I don't think that is deception.

I think the audience knows that Miss Shore is not in Japan.

Mr. BENNETT. But you do not say on the show that she is not in a Japanese setting when, in fact, she is, do you? You do not misrepresent?

Mr. KINTNER. No; we don't say she isn't.

Mr. BENNETT. That is not deception.

The point I am making is that you suggested something here that I think is needed. In fact, I have thought about something along this line myself.

But why limit it to quiz shows? A year or 2 years ago before the quiz scandal came out, nobody would have thought of this idea.

But now we get the quiz shows taken care of by some law, and then we go along and find out a year from now there is some other type of deception perpetrated on other types of programs.

Why not take care of all types of deception?

Mr. KINTNER. I have personally no objection to covering it all. I am not enough of a lawyer to know how you do that.

Mr. BENNETT. I am not asking how it should be done. I am merely saying should not it be done if we are going to try to make it a criminal offense to put on a deceptive show?

Mr. KINTNER. I agree with you, sir.

However, I do not think that the control of the program should be in the Federal Government. I don't know whether that would be applied to all, but I do not believe it.

MR. BENNETT. I do not think the Federal Government should control the programs, either, but I think it ought to be a criminal offense for a person, whether he be a station owner, a producer, or a sponsor, to put on a deceptive, false, misleading program.

MR. KINTNER. I agree with you.

MR. BENNETT. In other words, for anyone to represent a show as something that it is not.

MR. KINTNER. I agree with you, sir.

You get into an area of entertainment, however, where you have a stage play, that is supposed to be Kong Kong, and I do not consider that deception. And I am sure that you don't.

True deception, I think, should be punished on all types of shows.

MR. BENNETT. If it can be done without injecting Federal control of programming, you favor punishing all forms of deception?

MR. KINTNER. That is right, sir.

THE CHAIRMAN. Mr. Rogers.

MR. ROGERS. Mr. Kintner, NBC is quite a successful company financially?

MR. KINTNER. Yes, sir.

MR. ROGERS. And that has been due to astute business practices on the part of astute businessmen?

MR. KINTNER. I think I can speak freely, that it has been due to good management and good business practices.

MR. ROGERS. Excellent brains, are they not?

MR. KINTNER. Right.

MR. ROGERS. I believe you told Mr. Mack that NBC also owned five television stations.

MR. KINTNER. Yes, sir; we do.

MR. ROGERS. Do you own any radio stations?

MR. KINTNER. Radio, yes.

MR. ROGERS. Those are owned in the NBC corporation and not in the RCA corporation?

MR. KINTNER. That is correct. The National Broadcasting Co. is a wholly owned subsidiary of the Radio Corp. of America.

MR. ROGERS. You have been able to make this a successful business by watching out after out after the things that have to be looked out after in your business, have you not?

MR. KINTNER. Yes, sir.

MR. ROGERS. Is not the situation that has developed in these hearings something that would very detrimentally affect the broadcasting business?

MR. KINTNER. We would hope not, sir. This is not to condone the rigging of programs. Our only evidence is our mail. Our mail is extremely small for a broadcasting company which gets thousands and thousands of letters with one slip. It also includes a very substantial number—in fact, the last time I looked, the majority—who want the quiz shows continued. So we would hope that it would not detrimentally affect broadcasting.

We believe also that, as our systems go in, and lack of confidence in certain shows is removed, the problem, which could be a very real one, would be removed.

MR. ROGERS. The fact is that, the situation as it has developed in these hearings, could have a very detrimental effect on your industry, could it not?

Mr. KINTNER. Yes, sir; it certainly could.

Mr. ROGERS. The thing that disturbs me with regard to the networks is the fact that so little attention seems to have been paid to the reports that there was deceit going on, on these programs. A period of, I think, some 2 years elapsed before anyone seemed to take much interest in it. That interest seemed to have been generated by the fact that it looked like they were going to get caught anyway, so they just came in and confessed, sort of on the Van Doren theory.

Mr. KINTNER. Everybody has to interpret the facts as he sees fit. I do not agree with you. I believe, beginning in August of 1958, is when the first real evidence of "Dotto" came out. The National Broadcasting Co. took every step it could, consistent with the fact that the grand jury was meeting; it may be that other people than we could have thought of better things to do, but we certainly spent a maximum of time and effort on it.

Mr. ROGERS. Did you discuss this matter with the FCC and their representatives?

Mr. KINTNER. No. We received a letter from the FCC, which we answered, and which I believe committee counsel has a copy of.

Mr. ROGERS. Did you have any discussions or meetings with members of the FCC or with people working for the FCC in an effort to coordinate the efforts of all parties to try to clear this matter up?

Mr. KINTNER. I did not, sir.

Mr. ROGERS. But I mean as president of the organization, you were keeping constant, daily contact with all of the operations of it, were you not, Mr. Kintner?

Mr. KINTNER. Yes, and to my knowledge there was one.

Last week our representative discussed with the Chairman of the FCC the various steps we have taken in a general way, purely for his information, and we also met with the Attorney General and discussed with him what we had done.

Mr. ROGERS. If a member of the FCC, an investigator from the FCC or any one else shows up, in connection with any of your activities, is not word sent to you immediately as president?

Mr. KINTNER. We get many letters from the FCC.

Mr. ROGERS. I am talking about people investigating. I am not talking about correspondence. It seems that all that went on in this about the FCC was correspondence.

Mr. KINTNER. I am sorry. I am sure if there was any investigator from the FCC that would come to NBC during this period or any period, where there was a serious charge, I would be notified. To my knowledge there was none.

Mr. ROGERS. So far as you know, no people from the FCC or the Federal Trade Commission, during all of these activities, ever called on you or any of your group to try to ascertain the facts about this situation?

Mr. KINTNER. That is correct, sir, except for the letter that I mentioned.

Mr. ROGERS. What did the letter say, just generally?

Mr. KINTNER. Well, they asked us for a report—I am really not competent; I would rather have the letter. I think our attorneys have the letter some place.

Mr. ROGERS. Was it a letter just asking for a report?

Mr. KINTNER. It asked for certain information.

Mr. ROGERS. A report to be sent to Washington?

Mr. KINTNER. And it was sent.

If Mr. Lishman is here, he has a copy of it, because we supplied him with one.

(Correspondence referred to reproduced in testimony of Mr. Doerfer, October 10, 1959.)

Mr. ROGERS. I am sure it must be a part of the record.

How many people have you fired, directors, producers or anyone else, on account of this TV rigging?

Mr. KINTNER. How many have we fired?

Mr. ROGERS. Let us say "dismissed."

Mr. KINTNER. I do not have the figure in my mind. I can get it from Mr. Ervin.

Mr. ROGERS. Has it been quite a few?

Mr. KINTNER. I do not know what "quite a few" is. No, I would not say wholesale, if that is what you mean, sir.

Mr. ROGERS. There are three that we know about: Mr. Van Doren—I believe he said he was an independent contractor.

Mr. KINTNER. That is right.

Mr. ROGERS. And Mr. Felsher, he was an employee?

Mr. KINTNER. He was a producer on the "Tie Tac Dough" show. He formerly worked for Barry & Enright.

Mr. ROGERS. And he went over when you bought the package?

Mr. KINTNER. Yes.

Mr. ROGERS. Who else have you dismissed?

Mr. KINTNER. Mr. Van Doren, and, of course, Mr. Freedman of "Twenty-one" is no longer with us. I don't offhand recall any more.

I was trying to think to be responsive to your question.

Mr. ROGERS. But you did know that there were quite a few in your organization that had information about this that has developed, Mr. Kintner?

Mr. KINTNER. I did not hear the question.

Mr. ROGERS. I say you did know that there were quite a few people in your organization that did have knowledge about what was going on?

Mr. KINTNER. We do not know that. Within NBC we do not know that.

Mr. ROGERS. You do not know. Did you not say in your statement that you had quite a few liaison people working constantly between the producers and your organization?

Mr. KINTNER. We have what we call unit managers who are on the floor, and they did not know about it.

I will give you the type of problem, Mr. Congressman. When we took over Barry & Enright's shows, in October 1958 we took over their people. We wanted to be fair with their people and we retained them. Even after Mr. Enright confessed to the conspiracy he had entered into, we decided instead of firing all the employees of Barry & Enright, a total of 20, 30, or 40 people, most of whom are clerical girls who work on the quiz shows, to ask them for an affidavit, and, if they would give us one, to keep them. One girl resigned or did not give it. But we are keeping the other people, because we also believe that we should act with fairness.

Mr. ROGERS. Do you mean clerical help? You got affidavits from the clerical help?

Mr. KINTNER. In the Barry-Enright unit.

The Barry-Enright unit is located on Madison Avenue, away from NBC. The clerical help there are the people who procure the prizes, and that sort of thing.

Mr. ROGERS. If the clerical help would not give you an affidavit, you discharged them or let them go?

Mr. KINTNER. Yes, because it was a close unit, and we were not sure whether any of the people were part and parcel of Mr. Enright's operation.

Mr. ROGERS. Then everyone who is in your employ now from the Barry & Enright enterprises is there by virtue of having signed the affidavit?

Mr. KINTNER. That is correct.

Mr. ROGERS. How do you account for the fact that all of this was going on, Mr. Kintner, right under the roof of a very successful corporation, and that it went on for several years, and no one knew about it, except Mr. Felsher and Mr. Van Doren?

Mr. KINTNER. I am astounded about it. You ask me how I think it went on, because I think Mr. Enright operated in great secrecy. I think the meetings of Freedman and Van Doren were held in great secrecy. I do not believe that the rest of the organization were familiar with what was going on.

However, that is only my belief.

I think, in effect, it was sort of like a conspiracy. I think it is comparable to a teller in a bank taking money, and the president not knowing about it.

Mr. ROGERS. You do control what goes on in your network, do you not?

Mr. KINTNER. Do I personally?

Mr. ROGERS. No, I mean NBC controls what goes on in the network?

Mr. KINTNER. Certainly, we do.

Mr. ROGERS. You knew at the time that this all came out that Mr. Barry and Mr. Enright were operating these shows and had been doing that for quite some time in a shady manner, at best, and yet you paid them \$2,200,000 for that package of shows, did you not?

Mr. KINTNER. No, we paid them the \$2,200,000 in 1957, when we did not know it.

In October, 1958, when we began to have suspicions, we removed them from the shows and suspended them. They denied it completely. We felt they were entitled, under a suspension, to have the grand jury act.

Subsequently, when the presentment was not made public, we severed our relation with Barry & Enright.

Mr. ROGERS. As I understood Mr. Enright's testimony, this matter had been discussed thoroughly between NBC officials and Barry & Enright and it was quite an issue at the time this sale was made. Is that not correct?

Mr. KINTNER. That is not correct as far as I am concerned. It is not correct. And I am sure it is not correct as far as NBC is concerned. We would never have—

Mr. ROGERS. Is it your testimony, Mr. Kintner, that at the time you purchased the shows you had no idea or no way to have any information that there had been any of this fixing going on?

Mr. KINTNER. It certainly is; yes, sir.

Mr. ROGERS. And if Mr. Enright says that he had been called up before you and required to make some statement assuring you that there was nothing wrong with it, then he is not correct in his testimony?

Mr. KINTNER. He was called in with our attorney in October 1958. The purchase was in the spring of 1957. At the time of the purchase there was absolutely no discussion.

Mr. ROGERS. There was what?

Mr. KINTNER. At the time of the purchase there was no discussion of any possible deception.

Mr. ROGERS. Either before or at the time of the purchase?

Mr. KINTNER. Yes. When the rumors began to appear in October 1958, Mr. Ervin, our counsel, called Mr. Enright over. He gave an affidavit, and eight of his principal people came. He asked for our support in what he said were untrue, unjust, and libelous statements about him. We believed him.

Mr. ROGERS. But the matter was not taken up with the FCC at that time? You just took his word for it? You called this fellow Stempel—I do not mean you called him that. You accepted the fact that Stempel was represented to you as a psychopathic case or something of that sort?

Mr. KINTNER. Yes; he was so represented.

Mr. ROGERS. There was not any effort made to get in touch with the Federal Communications Commission about it at that time to try to determine the truth or falsity about it, was there?

Mr. KINTNER. No. I think, Mr. Congressman, if we had felt that Stempel was telling the truth, the proper agency would have been the district attorney or the Attorney General.

Mr. ROGERS. Do you think you are the one that ought to pass judgment on whether Stempel did that or not? You are in the business involving the rights of the people of this country. Do you not think any charge of that kind ought to be thoroughly aired and something ought to be done to look into it?

Mr. KINTNER. We felt it wasn't true. In the broadcasting business, you get—I don't mean this unkindly, but you get a lot of complaints from—and I don't say Mr. Stempel is, as he turned out not to be—from crackpots, and we would not take a whole series of inquiries to the Federal Government if we believed there was no basis in fact for them.

Mr. ROGERS. I understand that. But the thing I am getting at is that you are more or less suggesting in your statement that the broadcasting people, especially the networks, be more or less permitted to police themselves. You say you do not want a "czar" and you do not think Federal control or licensing procedures would be in order.

What are we going to judge the future by unless we use the past?

You have fallen flat on your face in the past on this thing.

Mr. KINTNER. We have suggested the possibility of penalties for deception, which I think is the right way for American laws to go. I

do not believe that the overall program structure of the licensee should be regulated by the Government.

Mr. ROGERS. While we are on what you recommend, I want to thank you for offering to let us go on the television program. After Mr. Hess' testimony yesterday, I was afraid we were all going to be priced out of the market, if it costs \$10,000 to have your named called once.

Mr. KINTNER. There would be no charge.

Mr. ROGERS. You are very gracious. I do not think that I will accept your offer, but it is very gracious.

Mr. KINTNER. May I say we are very serious. We think the American public is entitled to hear from the committee in its own way on the conclusions concerning the operations of the broadcasting business.

We would like to make the facilities of the National Broadcasting Co. in both television and radio available.

Mr. ROGERS. I am sure you are very serious, and I am just as serious when I say that the making of laws for people to live by and the rules of conduct ought not to be placed in the position of a Roman holiday, and I think that is what that would end up in. But we can argue that later on.

Mr. Kintner, you became very suspicious about this thing as time moved on, did you not? And you pretty well concluded in your own mind that Mr. Van Doren, at least, had some clouds in his background on this?

Mr. KINTNER. No. That will surprise you. I had suspicion about "21," obviously, after the Snodgrass and Stempel stories. I believe Charlie Van Doren up until the time, on October 6, when he told one of our officers that he had been offered questions but had not taken them, and that a producer had asked him for a loan. That was the first time that I believed that he was capable of what, in effect, is dishonesty. You may say I was duped. If I was duped, I was duped.

Mr. ROGERS. It was after that information came to you that you approved the type of telegram that he sent to this subcommittee, did you not?

Mr. KINTNER. I did not approve the telegram.

Mr. ROGERS. Mr. Van Doren, I believe, said that you had accepted it.

Mr. KINTNER. No; as I say, Mr. Stabile is in the room and can testify. I was not there.

Mr. ROGERS. Mr. Stabile had the same information you did, did he not, Mr. Kintner?

Mr. KINTNER. No, he did not. May I go over it to be clear, because it is an important point?

Mr. ROGERS. Yes, sir.

Mr. KINTNER. Mr. Stabile, who is head of negotiation for talent, and Mr. Levy, when the first mention we had seen in the papers about Van Doren appeared, were brought in by Mr. Sarnoff, chairman, and myself, and Mr. Adams, an executive vice president. There was a reference in one of the afternoon papers. We instructed them to get hold of Mr. Van Doren and his attorney and to tell them that unless he would send a wire volunteering to appear before the committee we would have to suspend him because we didn't think any NBC employee should be in such a position.

Mr. Levy, Mr. Stabile, our attorney, Mr. McKay, and Mr. Van Doren and Mr. Rubino, I believe you pronounce his name, met for a number of hours. Both Mr. Sarnoff and I left. Around midnight Mr. Stabile called me on the phone and said, "Mr. Van Doren will send a wire that does not say 'I will be down,' but he will send a wire saying, 'I will make myself available'."

'That was Tuesday night. Wednesday I was out of town. While I was out of town, Mr. Stabile went to the chairman of our board, Mr. Sarnoff, and Mr. Adams, and said that night, in an emotional state, Mr. Van Doren said, "I was offered questions, but I never took them. The producer tried to get a loan from me."

However, all through the evening, he protested his innocence.

I returned a day later. We had a meeting. We put Mr. Stabile's comment in an affidavit. We called Mr. Van Doren in. We asked him to tell us any information that he knew about "Twenty-one," the former rigging. On advice of his counsel he refused and we suspended him.

Mr. ROGERS. My point is simply this, that he made the statement that created the deep suspicions in the minds of NBC. Let's don't shift between you personally and NBC.

Mr. KINTNER. We became suspicious on October 6.

Mr. ROGERS. And the telegram was sent the night of October 6, wasn't it, and got here the next morning?

Mr. KINTNER. Mr. Stabile became suspicious on October 6. He notified Mr. Sarnoff and Mr. Adams on October 7.

Mr. ROGERS. Yet you approved the telegram which completely undertook to exonerate Mr. Van Doren on the night of October 6.

Mr. KINTNER. Mr. Congressman, I am not separating myself. Mr. Stabile is in the room. He tells me he did not approve of the telegram. He is present.

Mr. ROGERS. What you mean is this, that if Mr. Van Doren said that NBC approved the telegram, he is not telling the truth?

Mr. KINTNER. Yes; in the terms you pose it to me. Mr. Stabile is here and he can testify for himself.

Mr. ROGERS. The people that wrote in on this program, and this is a question that has not been brought up, and you may know the answer. If you don't, we can clear it up later on. But the people that wrote in and tried to be applicants on this program, did that information come to NBC or did you have anything to do with any of those letters?

Mr. KINTNER. I, personally, no.

Mr. ROGERS. I am talking about NBC.

Mr. KINTNER. Generally people who want to be on a show write to the National Broadcasting Co., and they will say that they want to get on "Queen for a Day," we will say. Those letters, in turn, are handled and sent to the producers of the individual shows.

Mr. ROGERS. The names that you got of these people, did you furnish those names to any encyclopedia company or other group to be used as a lead for sales purposes or anything else?

Mr. KINTNER. If so, I do not know anything about it.

Mr. ROGERS. NBC?

Mr. KINTNER. I do not know anything about it.

Mr. ROGERS. Was this list of names sold to any group?

Mr. KINTNER. I am sure they were not.

Mr. ROGERS. Do you mean so far as NBC is concerned, it wasn't?

Mr. KINTNER. That is correct.

Mr. ROGERS. If it develops that it was, Mr. Kintner, you would consider that a very shady practice, would you not?

Mr. KINTNER. I certainly would.

Mr. ROGERS. And you would dismiss anyone that took part in it?

Mr. KINTNER. Yes. I am talking about the National Broadcasting Co. The independent producers we make contracts with—

Mr. ROGERS. I understand the difference in the legal status.

Mr. Moss asked Mr. Van Doren a question. He said, "Did it require the approval of any officials of NBC," talking about the telegram:

Mr. VAN DOREN. I believe it did, sir; yes.

Mr. Moss. The telegram as drafted constituting a denial of charges and insisting on hearings met the specifications of the officials of NBC?

Mr. VAN DOREN. I tried to say in my statement, sir, that I did not consider this an insistence. I hoped—it was very foolish of me—I hoped the committee would understand that I was desperate and, that if I came down here all I could do was reiterate my grand jury testimony, which I believe the committee knew was not true.

There is another place in here, but it is too late to look for it right now. But as you said, if he testified that it required NBC approval, he was mistaken?

Mr. KINTNER. He was mistaken. The only requirement by NBC on orders from me was that he send a wire volunteering to appear before the committee because we felt as an NBC employee he should do so.

Mr. ROGERS. Thank you very much.

Thank you, Mr. Chairman.

Mr. MACK. Mr. Devine.

Mr. DEVINE. Mr. Kintner, you have been on the witness stand for over 3 hours. I would like to ask you one or two questions without belaboring you.

I believe you said that the National Broadcasting Co. now has its own investigation going into its own programs. Is that correct? And among these investigations I believe you stated that "Treasure Hunt" is involved.

Mr. KINTNER. That is correct.

Mr. DEVINE. In order that the record here be unmistakably clear, did you say that your investigation has revealed that there is evidence of kickback or rigging on that show?

Mr. KINTNER. Our investigation by our investigators led our general counsel to believe that there is evidence, sufficient evidence, of a kickback on that show at certain times, sufficient for us to furnish it to the district attorney, and sufficient for the producer to discharge the two people.

Mr. DEVINE. How long ago did this occur? That is, the so-called kickback.

Mr. KINTNER. It is hard for me to answer. I think basically it occurred during the spring of 1959.

Mr. DEVINE. Did this particular involvement relate only to certain individuals on the program?

Mr. KINTNER. It related, as far as we know, to these two people. It was turned up, and I would like to point it out, by our security

system, because we were just interviewing, on a spot check, people who had won the contest on "Treasure Hunt."

We contacted a woman, and then we went into this in some degree.

Mr. DEVINE. They were not closely enough related to the program for you to see fit to take the program from the air?

Mr. KINTNER. No; because in our judgment these people had been operating on their own. We believe these two individuals were operating on their own without the knowledge of the producer.

Mr. DEVINE. I believe that is all, Mr. Chairman.

The CHAIRMAN. Mr. Flynt.

Mr. FLYNT. Mr. Kintner, did your investigating staff prepare documents showing the results of the investigation which was made of the original Stempel charges?

Mr. KINTNER. I don't understand you, sir.

Mr. FLYNT. Were any records made of the results of the investigation which was made of the original Stempel charges?

Mr. KINTNER. Actually, Mr. Congressman, we took the denial of Mr. Enright. By the time Mr. Stempel had made the public statement the grand jury was in operation. We went down and told them we would cooperate fully, and they asked us not to talk to the contestants, so we did not talk to Mr. Stempel.

Mr. FLYNT. Was a written report made after the investigation had been concluded?

Mr. KINTNER. I am not sure—the legal department's written records will show what was done there.

Mr. FLYNT. Will you make available to this subcommittee, at the earliest possible time, any written report which your company has of the original Stempel charges?

Mr. KINTNER. I will be happy to.

(Information requested in above testimony follows:)

NATIONAL BROADCASTING CO., INC.,
New York, N.Y., December 4, 1959.

BEVERLY M. COLEMAN, Esq.,
Principal Attorney, Special Committee on Legislative Oversight of the Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. COLEMAN: This is in reply to your letter of November 30, 1959, to Mr. Kintner concerning the information requested by Congressman Flynt in the course of Mr. Flynt's interrogation of Mr. Kintner.

The first request was for any written report which NBC has of the results of the investigation made of the original Stempel charges in September 1957, when the matter first came to NBC's attention. We have reviewed our files and have found no record or report of the charges or investigation concerning those charges. Apart from this review of the files, Mr. Raub, an attorney in the legal department, and I, who were NBC's representatives at the meeting with Mr. Enright on September 20, 1957, when we questioned him about the Stempel charges, have no recollection of ever having prepared any record or report concerning the charges or our investigation of the charges.

The second request was for a copy of the Van Doren contract. In compliance with that request, I am inclosing herewith two copies of each of the following agreements between NBC and Charles Van Doren:

1. Memorandum of terms dated April 4, 1957.
2. Amendment dated April 12, 1957.
3. Amendment dated September 15, 1958.
4. Amendment dated October 7, 1958.

I trust this is the information you desire.

Sincerely yours,

THOMAS E. ERVIN.

Mr. FLYNT. On the question of the variance between your testimony and Mr. Van Doren's testimony, as to the insistence of NBC that he send the telegram which was dated October 6; as you know the sub-committee at that time had not issued a subpoena, had not requested the appearance of Mr. Van Doren?

Mr. KINTNER. Yes; I do know that.

Mr. FLYNT. How did it so happen that on or about that date it became necessary to have something in writing or on record from Mr. Van Doren in this connection?

Mr. KINTNER. Because for the first time, to our knowledge, there appeared innuendoes in the New York newspapers that Dan Enright, in executive session, had implicated Mr. Van Doren.

Mr. FLYNT. To your knowledge, when was the first time that Dan Enright repudiated his categorical denial to your company?

Mr. KINTNER. Well, he never really repudiated it to us.

Mr. FLYNT. When did you first learn of his repudiation of his categorical denial?

Mr. KINTNER. At approximately the time of his appearance in Washington, here in the House committee. There were rumors about the grand jury, but we did not know that for a fact.

Mr. FLYNT. Did it occur to you, or to anybody on what you might call the executive committee of the National Broadcasting Co. to ask questions of anyone except the person against whom the charges had been made?

Mr. KINTNER. It did occur. We felt—are you talking about the fall of 1958?

We were in constant touch with the district attorney, supplying information, and so forth. We thought the use of our investigatory staff would handicap the grand jury and its operation. The only way we could get leads on that was to go to the contestants themselves.

Mr. FLYNT. Mr. Kinter, before you made your facilities—and I know they are tremendous, I mean that—available to the television industry, you were a very capable newspaperman, in a reporter capacity for the Herald Tribune; is that correct?

Mr. KINTNER. That is correct.

Mr. FLYNT. And as an associate columnist with Mr. Joseph Alsop; is that correct?

Mr. KINTNER. That is correct.

Mr. FLYNT. If you had received any information, during your reportorial career, against any public figure or any person prominent in the political field or in the entertainment field, or in radio or television, would you, as a reporter, have satisfied yourself with asking the person against whom the charge had been made to testify to the accuracy of the charge?

Mr. KINTNER. Well, there are two points. If someone gave me an affidavit which I respected, I believe I would believe him. In addition to that, the newspaper investigation in 1957 decided not to print the story on the basis of their investigation.

Mr. FLYNT. Is it not a fact that an affidavit, under the circumstances that you received one from Mr. Enright is, in effect, no more than just a sidewalk conversation, because it carries with it no penalty of false swearing, no penalty of perjury, because it is not the kind of a statement which is required by the law of New York to be under oath?

Mr. KINTNER. I am not a lawyer; I can't answer that. But I would imagine that your comment is correct. However, we felt that this was a respectable and honest man. Therefore, we accepted the affidavit and seven others from his closest associates.

Mr. FLYNT. I read the name of the law firm that you have, I believe, as your general counsel, the firm to which you referred.

Mr. KINTNER. That is correct.

Mr. FLYNT. You also have a very competent staff of legal talent in your own organization?

Mr. KINTNER. We do.

Mr. FLYNT. They certainly should be aware of that. Do you think they should have been satisfied with a statement which, to all practical purposes, carried with it no penalty, other than just the making of a misleading statement?

Mr. KINTNER. I think, Mr. Congressman, you have to put it in the atmosphere, and I must tell you that our general attorney, in good faith, and in belief in Enright, told me, as president of the company, and Bob Sarnoff as chairman of the board, that he believed Enright, and he believed the affidavit, and thought that Mr. Stempel was irresponsible.

Mr. FLYNT. Are you familiar with the conditions of the contract between NBC and Mr. Van Doren?

Mr. KINTNER. As to the amount of money?

Mr. FLYNT. No, just the general contract conditions. I am certain there were conditions other than monetary compensation.

Mr. KINTNER. No; I am not familiar with the details. As I understood, there was a guarantee of \$50,000 a year, and he would make himself available on various types of programing as a performer, writer, and in other ways.

Mr. FLYNT. Was that a written contract or an oral contract?

Mr. KINTNER. It was a written contract. I was not involved in this, and I didn't write it.

Mr. FLYNT. Have you seen it?

Mr. KINTNER. No, sir.

Mr. FLYNT. The reason I asked you that is we have made some efforts to get hold of it and have been unable to do so. I wonder if you would make available to the subcommittee a copy of the contract.

Mr. KINTNER. I will be more than happy to.

(Agreements and amendments follow:)

APRIL 4, 1957.

MEMORANDUM OF TERMS, NBC-CHARLES VAN DOREN

1. NBC employs Charles Van Doren, whose address is care of MCA Artists, Ltd., 598 Madison Avenue, New York, New York, for the services and during the term as noted in this Memorandum.

2. Van Doren's services will be furnished to and for NBC exclusively in radio and television. As required by NBC he will act as a consultant on NBC programming and as a performer (host, master of ceremonies, narrator, moderator, panelist, guest) in connection with the following types of programs:

A. Educational programs;

B. Public affairs and special events programs (for example, NBC's Project 20, Telescope, Wide Wide World, NBC Opera, Wisdom series and other telementaries, such as the International Geophysical Year projects);

C. Casual appearances on Today, Home and Tonight, but not as an actor and not on a regularly scheduled basis.

NBC may make these assignments on reasonable notice and subject to Van Doren's then existing teaching commitments at Columbia University or other educational institution (but no such teaching commitments may involve television or radio broadcasts nor may they be more consuming timewise than his present commitments at Columbia University).

3. NBC may not assign Van Doren to quiz, panel or audience participation shows, either as a master of ceremonies or as a panelist, except that at NBC's request, Van Doren will appear as a guest panelist on the program series presently entitled High-Low, not more frequently than alternate weekly and NBC may not require more than seven such appearances nor may NBC assign Van Doren to appear on Variety or revue programs. It is mutually recognized that Van Doren is not primarily interested in being an actor playing a role on camera depicting another person, except to the extent that the same may be consistent with the assignments contemplated in this paragraph and in paragraph "2".

4. The initial term of this agreement begins with the date hereof and continues for three consecutive years ending August 31, 1960. NBC has an option to extend the agreement on the same terms and conditions for an additional period of two years firm, beginning September 1, 1960, provided NBC exercises its option by notice given to Van Doren not later than September 1, 1959.

5. NBC guarantees Van Doren that his earnings under this agreement will be not less than \$50,000 a year during each year of the term. The first "year" of the guarantee is to run from the date hereof through August 31, 1958. The guarantee will be payable in equal quarterly installments within ten days after the conclusion of each quarter (to and in the name of MCA Artists, Ltd., until and unless otherwise directed by Van Doren) and the first such payment will be due not later than January 10, 1958. There shall be applied against such guarantee all earnings of Van Doren in television and radio during the term. Attached is a schedule of the fees to be paid to Van Doren for various types of services. NBC shall be entitled to retain such fees in each year of the term until the fees so retained shall equal the guarantee for such year. Any fees earned after the guarantee has been so reached will be paid to Van Doren as earned.

All payments shall be subject to the withholdings and deductions authorized and required by law and include commissions.

6. Van Doren shall be a member in good standing of the applicable union governing his performances.

7. Neither NBC nor Van Doren may use Van Doren's name or likeness in merchandising or other fields of exploitation, including the giving of product or service testimonials without the consent of the other during the term except that the foregoing restriction shall not affect Van Doren's reserved rights in the writing and pedagogical fields and NBC shall have no interest in such reserved areas.

8. Van Doren's home base will be New York City but he will be available for out-of-town assignments by NBC, subject to his teaching commitments as above noted and will be reimbursed for reasonable travel and living expenses actually incurred as a result of any out-of-town assignment, living expenses not to exceed \$25 per day.

9. This Memorandum also contains customary provisions in this kind of arrangement such as force majeure, preemptions, disability, morals, pay or play, etc. The foregoing will be detailed in a more formal agreement which will be prepared and executed at the earliest convenience of the parties. Pending execution of such other agreement, this Memorandum will serve as a full and binding contract between the parties. The parties have executed the attached Civil Rights License/Indemnity agreement as part of this Memorandum.

(S) Charles Van Doren
CHARLES VAN DOREN.

NATIONAL BROADCASTING CO., INC.,

By (S) JAMES E. DENNING.

SCHEDULE OF FEES, NBC-CHARLES VAN DOREN

1. Educational programs:

\$200 for one-half hour program.

\$300 for 1 hour or longer program.

Each payable for each appearance as a moderator or panelist, with NBC to have rights to reuse recordings of the performances on television or otherwise (such as distribution for educational uses, repeat telecasts, educational television networks, feeds to affiliated stations, Armed Forces use, etc.) without any additional fees, except as may be required by union agreements; for the aforesaid purposes there may be no commercials used on these programs without Van Doren's consent.

2. Single programs (1 to 1½ hours), such as NBC's "Project 20," "NBC Opera," "Wisdom Series," etc.:¹

Introducer or host (not narrator), \$1,500.

Narrator (or host/narrator), \$2,500.

Wisdom series (narrator and/or interviewer), \$1,000.

Opera (host only), \$1,000.

Project 20:

Narrator, \$2,000.

Introducer or host (not narrator), \$1,000.

Special like "How We Are Governed" (3-hour show plus one repeat telecast, school distribution, educational television, CBC, Armed Forces, etc.), \$3,500.

3. Regularly scheduled series:²

Length of show	Weekly	Alternate weekly	Once each 4 weeks or monthly
½ hour.....	\$1,250	\$1,750	\$2,250
1 hour.....	2,000	3,000	4,000
1½ to 2 hours.....	3,000	3,750	4,500

4. Reuses: Except for educational programs (where reuse payments are to be made only as required by union agreement, the fee being deemed otherwise to include all reuse payments of any kind) NBC has full reuse rights of either live or film programs to which Van Doren is assigned but NBC shall pay the following percentages of original fee for reuses:

[Percent]

	Live programs	Film programs
For 2d run.....	75	35
For 3d run.....	75	30
For 4th run.....	50	25
For 5th run.....	50	25
For 6th and all succeeding runs combined.....	50	25

¹ The designation of the shows by name is by way of illustration only. In the event NBC desires assignments on shows requiring substantially different services from Van Doren, the fees therefor would be negotiated at NBC's request in good faith as the circumstances arise. The fees listed above are based on present methods of NBC usage of the services described for each category. If there is a substantial change in such usage which requires substantially more time from Van Doren than presently is the practice for such services, NBC will review the fees in the light of then current practices.

² These are programs regularly scheduled on a series basis and in which Van Doren is assigned on a regular basis. The foregoing schedule, however, does not apply to any assignment by NBC to the program series "High-Low" mentioned in par. 3 of the memorandum of terms. Van Doren's fee on "High-Low" is \$1,500 per show. Nor does the foregoing apply to the appearances on "Today," "Home" and "Tonight" noted in par. 2 of the memorandum of terms. Appearances on any such program shall be at the rate of \$500 per show or such lower or higher figure as is budgeted for the kind of appearance desired by NBC for the appearances of Van Doren on such show.

APRIL 4, 1957.

NATIONAL BROADCASTING CO., INC.,
New York, N.Y.

GENTLEMEN: Pending the signing of a detailed agreement with respect to the rendering of my services and material (if any) for _____ program to be broadcast over your facilities commencing per agreement, it is agreed with respect to such program:

1. I hereby license you and your affiliates to record the program for first-run broadcasting (and for delayed broadcasting within 60 days of first run) and to use my name, sobriquet, biography, recorded performance, picture, portrait, caricature and likeness for informative purposes or in connection with the advertising and publicizing of the programs hereunder and/or your services (either alone or in conjunction with the advertising and publicizing of any products or services) and the services and the products or services of any sponsor of the programs hereunder, but not (except with my written consent) as an express endorsement of any product or service (such use being limited to 60 days from date of last broadcast).

2. (a) I shall indemnify and hold harmless you, your officers, directors, agents and employees, the stations over which the programs hereunder are transmitted, any sponsor of said programs and its advertising agency, and their respective officers, directors, agents and employees, from and against any and all liability, actions, claims, demands, loss, expense or damage (including reasonable attorneys' fees) caused by or arising out of (i) any performance or utterance (ad lib or otherwise) by me or (ii) the use of any material furnished by me hereunder or (iii) the breach of any provision hereof by me. Your approval of any material furnished by me shall not constitute a waiver of our indemnity with regard thereto. You shall indemnify and hold me harmless to the same extent with respect to material furnished by you or acts done by me at your direction hereunder.

(b) Termination of this agreement shall not affect the continuing obligations of an indemnitor. Upon written request of the indemnitee, the indemnitor shall assume the defense of any claim, demand, or action (for which indemnity is provided) against such indemnitee and shall, upon request by the indemnitee, allow the indemnitee to cooperate in the defense thereof. The indemnitee shall give the indemnitor prompt notice of any claim, demand or action arising under the provisions of any indemnity. In the event that the indemnitee settles any claim, demand or action (for which indemnity is provided) without the prior written consent of the indemnitor, the indemnitor shall be released from all and any liability under said indemnity.

Please sign in the place indicated below.

Very truly yours,

CHARLES VAN DOREN.

Agreed:

NATIONAL BROADCASTING CO., INC.,
By JAMES E. DENNING.

NATIONAL BROADCASTING CO., INC.,
New York, N.Y., April 12, 1957.

Mr. CHARLES VAN DOREN,
Care of MCA Artists, Ltd., New York, N.Y.

DEAR MR. VAN DOREN: Reference is made to the "Memorandum of Terms," dated April 4, 1957, executed simultaneously herewith today by you and NBC. This will confirm that as part of that understanding the following is also agreed and will be included in the more formal contract referred to in that memorandum:

1. In the event that during the term you create or develop a program or programs which we mutually agree will be developed either by means of kinescope or pilot film or will be offered for sale on a series basis with or without such kinescope/pilot arrangements, we will finance the development of such programs on mutually agreeable terms. Such terms will include, in addition to other normal terms to be negotiated at the time, the following general terms:

(a) You will have the privilege, either directly or through an entity controlled by you, of furnishing such programs to us on a package basis.

(b) The budgets will include fees for you in the amounts specified in the schedule of fees attached to the "Memorandum of Terms."

(c) The budgets will also include MCA commissions on the above-line elements of such programs in accordance with our usual arrangements.

(d) All net profits from this operation, whether from sale of the programs or from operation of the package or from disposition of residual or subsidiary rights or any other kind of exploitation, will be shared in perpetuity equally between you and NBC. The formal agreement will contain a detailed definition of net profits so to be divided and will include arrangements for NBC's customary overhead, advertising, and promotion charges.

2. The foregoing, like the "Memorandum of Terms," is to be considered part of our binding agreement.

Please confirm below.

Very truly yours,

NATIONAL BROADCASTING CO., INC.,
By JAMES E. DENNING.

Confirmed:

CHARLES VAN DOREN.

NATIONAL BROADCASTING CO., INC.,
New York, N.Y., September 15, 1959.

Mr. CHARLES VAN DOREN,
MAC Artists, Ltd., New York, N.Y.

DEAR MR. VAN DOREN: Reference is made to the agreement between you and us (as evidenced by memorandums of terms dated April 4 and April 12, 1957, both executed by you and us and by form of employment agreement dated as of April 4, 1957, heretofore submitted to you) in regard to your services for us in television and sound radio.

This will confirm the understanding between you and us, that such agreement is hereby amended in regard to your services on and for the series of programs entitled "Today" only, to provide as follows:

1. We hereby assign you and you hereby accept assignment to render services on and for the "Today" show five times per week Mondays through Fridays. It is presently contemplated that such assignment will commence with the program now scheduled for October 6, 1958, but we reserve the right to change the date of your first performance on the "Today" show hereunder by designating the commencement of your performance for another date during the first half of October 1958. Your services on each program will consist of commentaries, not more than one per day, on various subjects, each such commentary of 5 to 6 minutes in length. Your assignment on the "Today" show is for a trial period of 3 consecutive weeks commencing with the first program for which you so render services. We shall have the right to continue your assignment to the "Today" show by giving you written notice to that effect not later than 7 days prior to the expiration of such trial period. If we so elect to continue your assignment on the "Today" show your services on such show will be for the duration of our agreement with you subject to our right to discontinue such assignment in accordance with the provisions of paragraph 2 hereof. If we fail to give you notice of our desire to continue your assignment on the "Today" show, such assignment shall expire upon the expiration of the 3-week trial period defined in this paragraph 1.

2. If we give you notice of continuation of your assignment hereunder, the term of your assignment on the "Today" show will include the 3-week trial period and will continue subject to extension, suspension, or termination as provided in your agreement with us and as provided herein for the duration of the term of such agreement. We reserve the right, by giving you written notice not less than 28 days prior to the effective date, to terminate such assignment effective (i) at noon on the last Friday of December 1958 and of each calendar quarter thereafter during the term of such assignment, and (ii) at any time when we discontinue the broadcast of the programs of the "Today" show.

3. In full consideration for the services to be rendered by you on the "Today" show we shall apply to the minimum guaranteed sum for the year to which such amounts are attributable in accordance with the provisions of paragraph 3A of the form of agreement the following applicable amount or amounts for each program of the "Today" show for which you render services as provided in paragraph 1:

- (i) Per program of 3 hours in length, \$1,090.10 per week.
- (ii) Per program of 2 hours in length, \$817.30 per week.

(iii) Per program of 1 hour in length, \$554.50 per week.

(iv) For each program of a length different from those specified in subparagraphs (i), (ii), and (iii) of this paragraph, we shall so apply the applicable minimum AFTRA fee per week plus 10 percent thereof.

4. The topics for your commentaries for the programs of the "Today" show shall be selected by you, but shall be subject to our prior approval. It is understood that there will be no editorializing of such topics. You will submit sufficiently in advance a final script for each of your performances to the director of NBC news (public affairs department) for clearance and approval.

5. You agree to perform during or adjacent to your commentary at no additional expense to us in lead-ins and lead-outs to commercial announcements on the programs of the "Today" shows for which you render services, it being understood that any commercials for which you do such lead-ins and lead-outs shall be subject to your approval which you will not unreasonably withhold.

Except as hereinabove provided all terms and conditions of such memorandums of terms, dated April 4, and April 12, 1957, and form of employment agreement dated as of April 4, 1957, shall remain unchanged and in full force and effect.

Very truly yours,

NATIONAL BROADCASTING CO., INC.,
By RALPH S. MANN.

Agreed:

CHARLES VAN DOREN.

NATIONAL BROADCASTING CO., INC.,
New York, N.Y., October 7, 1958.

Mr. CHARLES VAN DOREN,
Care of MCA Artists, Ltd.,
New York, N.Y.

DEAR MR. VAN DOREN: Reference is made to the agreement between you and us (as evidenced by memorandums of terms dated April 4 and April 12, 1957, both executed by you and us and by form of employment agreement dated April 4, 1957, heretofore submitted to you as heretofore amended) in regard to your services for us in television and sound radio.

This will confirm the understanding between you and us that such agreement is hereby further amended in regard to your services on and for the series of programs entitled "Kaleidoscope" to provide as follows:

1. We hereby assign you and you hereby accept assignment to render services as host on and for some or all programs of the "Kaleidoscope" series presently scheduled for broadcast over television facilities as we may designate on alternate Sundays from 5-6 p.m., New York City time current, between November 2, 1958, and May 3, 1959 (both dates included). You shall render such services for programs of such series as we shall designate subject to the following conditions:

(i) Your assignment hereunder shall be for not less than 7 and not more than 14 programs of the "Kaleidoscope" series;

(ii) We shall fix and determine the rehearsal dates and dates of your appearances on such programs and we shall inform you of such dates from time to time as soon as we fix our arrangements for your appearances in each instance.

2. In full consideration for the services (including rehearsals) to be rendered by you on and for the programs of the "Kaleidoscope" series and the rights granted us, we shall apply to the minimum guaranteed sum for the current contract year (in accordance with the provisions of paragraph 3A of the form of agreement) the following applicable amount or amounts for each program of the "Kaleidoscope" series for which you render services:

(i) \$1,250 for each network sustaining program;

(ii) \$2,250 for each network commercially sponsored program.

Except as hereinabove provided all terms and conditions of such agreement (as evidenced by memorandums of terms and form of employment agreement, as amended) shall remain unchanged and in full force and effect.

Very truly yours,

NATIONAL BROADCASTING CO., INC.
By RALPH S. MANN.

Agreed:

CHARLES VAN DOREN.

NATIONAL BROADCASTING CO., INC.,
New York, N.Y., December 16, 1959.

BEVERLY M. COLEMAN, Esq.,

Principal Attorney, Special Subcommittee on Legislative Oversight of the Committee on Interstate and Foreign Commerce, House Office Building, Washington, D.C.

DEAR MR. COLEMAN: This is in reply to your letter of December 10, 1959, inquiring as to the existence of a formal agreement between NBC and Charles Van Doren, as referred to in several of the documents which I sent you under cover of my letter of December 4.

A draft of formal agreement was indeed prepared, but the formal agreement was never executed. NBC prepared the draft and submitted it to MCA Artists, Ltd., Mr. Van Doren's agent, in the latter part of August 1957. There were discussions between NBC and MCA concerning the draft, and because of disagreement between the parties on certain of the provisions, the formal agreement remained unsigned.

For your information, I am enclosing herewith a copy of the draft of formal agreement prepared by NBC.

Sincerely yours,

THOMAS E. ERVIN,
Vice President and General Attorney.

MR. FLYNT. Thank you.

Of course, I am sure that you, as well as all of us, are deeply concerned with the revelations that have come forth in these hearings. I think all of us must now and should turn our activity to a reappraisal, to a reevaluation, if necessary, to take inventory of this entire thing, toward the end that the public, the unsuspecting public, will never again be made the victim of a fraud of this kind.

Mr. KINTNER. I agree with you, sir.

Mr. FLYNT. Do you feel that the industry can continue to go along without a rudder of some kind to guide it and direct it, toward the end that these things shall be promptly detected and stopped right at the very source?

Mr. KINTNER. I do, sir.

Mr. FLYNT. Do you think that a simple criminal statute is adequate to do that?

Mr. KINTNER. I think a criminal statute would be extremely useful in protecting the public, from a very small group of individuals who are dishonest.

Mr. FLYNT. I am reasonably certain that you are aware, and I certainly hope that you are aware, that the industry, of which you are one of the leading figures at this time, has within its power a means of actually swaying and determining public opinion almost to the point of thought control of our entire Nation and our people, and that it is a responsibility which I am sure you are aware weighs very, very heavily upon the shoulders of everyone connected with your great industry.

Mr. KINTNER. We feel we have a great responsibility to the public to produce shows that are not deceptive, to produce a balanced schedule that will interest all segments of America, and to keep our business absolutely clean.

Mr. FLYNT. Of course, another thing different from, I suppose, any other industry that has ever been known in the history of economics and commerce, a part of the public domain, the frequency, and the air-waves, have been more or less granted in the form of a license and a franchise to the various holders throughout the length and breadth of this country. That being the case, with this natural resource, this

part of the public domain being used, do you feel that the industry now has a revelation that the public interest is far paramount to the earning of profits within the industry itself?

Mr. KINTNER. I believe that the industry has a real recognition of the public interest involved and the fact that the franchises are basically property of the public.

Mr. FLYNT. Do you feel that the hearings this subcommittee has conducted has made the industry and the public alike a little more aware of those responsibilities?

Mr. KINTNER. I do, sir; and I think you served a service, certainly in behalf of the National Broadcasting Co., in disclosing information we did not have.

Mr. FLYNT. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Moss.

Mr. Moss. Mr. Kintner, as I understood your statement, you are urging that we follow a course of maintaining the status quo and leave to the industry the task of convincing the public that adequate safeguards have been erected to prevent any recurrence of the rather sorry chapter which has been disclosed in these hearings and in the appearances before the grand jury in New York. Is that a correct summation?

Mr. KINTNER. I feel, Mr. Congressman, we have suggested a penal statute which would give criminal penalties for deception. Beyond that I believe the industry is capable—although I agree with you, that this was not good for broadcasting, for the public, or anyone—I believe the industry is manned by competent people to maintain the public interest and keep the public trust.

Mr. Moss. You referred to the fact that it was a small group of men. Are you familiar with the fact that witness after witness testified to the fact that the pattern of control on these programs is as old as the Pilgrims, themselves, and one very informed witness told us it extended back further than that?

Mr. KINTNER. I am not familiar with that fact. I can only speak for myself. I did not know it.

Mr. Moss. Is it a fact that each of those who represent the two great networks, two of the three great networks, who have appeared before this subcommittee, and who have denied any knowledge of this, is in itself an indictment of them?

Mr. KINTNER. I do not believe it is an indictment of the industry. I think it shows we placed too much trust in certain independent producers with whom we had contracts for programs.

Mr. Moss. Do you not also place a great deal of close attention on what those producers finally put on your time?

Mr. KINTNER. We felt we were following them closely, but we did not realize, certainly, the top NBC management, Adams, Sarnoff, and myself, we did not know or realize what was going on.

Mr. Moss. How does NBC know? Does it require knowledge by one person in the organization or does it require knowledge only at the very top of the organization in order to know whether or not these things are going on?

Mr. KINTNER. I think it requires knowledge among competent executives. I have no evidence that any competent executive of the National Broadcasting Co. knew anything about this.

Mr. Moss. I have no evidence that they did, either.

Mr. KINTNER. Nor do I have a suspicion.

Mr. Moss. That point we can come to. I cannot believe that these practices can be so widely spread for so many years, by people who are so alert to all facets of the program, without something leaking out.

Do you know it has been testified here again and again that the practice was so common that in recruiting additions to producers' staffs it was not even necessary to instruct them that a pattern of control was employed?

Mr. KINTNER. No, I did not know that was so testified.

Mr. Moss. It was expected that those people would know automatically that this pattern of control persisted.

Mr. KINTNER. I have talked to the key executives within the NBC television network who are in charge of the daytime shows of this type, the executives who are in charge of the night-time shows, of which we have two, and they have convinced me that they knew nothing about the practices concerning rigging of quiz shows.

Mr. Moss. What powers does NBC have to undertake effective investigations with persons who might not be cooperative?

Mr. KINTNER. I did not hear the last part.

Mr. Moss. What powers does NBC have to undertake investigations with persons who might not be fully cooperative?

Mr. KINTNER. Well, we have the powers to discharge them.

Mr. Moss. If they are your employees?

Mr. KINTNER. That is correct.

Mr. Moss. You have no power if they are an agency's employees or a sponsor's employees?

Mr. KINTNER. I suppose if you took it to the ultimate. Certainly, with any producing firm that produces outside for NBC, we can say we will no longer buy the show unless so and so is no longer present.

Mr. Moss. Do you always buy the show or do you sometimes sell time on shows purchased by sponsors?

Mr. KINTNER. We supply the shows sometimes, and at other times the advertiser presents the show.

Mr. Moss. Would you have the same control, then, over the personnel of the producer who produced for an advertiser rather than for NBC?

Mr. KINTNER. No, not the same power. We would have the judgment that the show on the basis of creativity was not up to the standards of the NBC network or was not appropriate in the time period. Other than sitting down and talking with the advertiser's agency, I don't believe we would have any power to tell X company to fire so and so.

Mr. Moss. Are the affidavits that you collected from persons in your employ, in producing organizations, of any more value than the statements made to you by Mr. Enright and his associates?

Mr. KINTNER. I certainly hope so.

Mr. Moss. I do not think under law they are of any value whatsoever.

Mr. KINTNER. I meant so far as good faith and honesty, I am sorry. Under law, I do not know.

Mr. Moss. Do you feel it is the responsibility of the Congress and of the Government to insure that broadcasting be fair and clean without harmful deception?

Mr. KINTNER. I certainly do. As to the method of doing it, perhaps there will be different viewpoints, but as far as the objective and statement and interest of the Government, I agree with you completely.

Mr. Moss. Is it not the responsibility of the Government?

Mr. KINTNER. I agree with you, sir. However—

Mr. Moss. And can that responsibility be delegated to a network which is not in any way a licensee, as such, of the Government?

Mr. KINTNER. I believe, sir, that we are, in effect, licensees to the Government because the basis of our business is the five television stations which we own, which come up regularly for license before the FCC.

I do not believe there should be network regulation, per se, because I believe that would go into the field of controlled programing, the type of programing which I do not think is the proper way to operate broadcasting in this country.

Mr. Moss. I find that John Crosby had an excellent column in, I think it was, the New York Herald Tribune recently. He treats this problem as one of liberation, not censorship. I think we must assume basic decisions here where the whole motivation seems to be the rating which can be secured for a given period of time in order to make it as valuable as possible for production of advertising revenue.

Mr. KINTNER. To talk to your last point, I do not believe that that is correct. It is unquestionably true that all networks want a substantial number of high-rated programs, which 99.5 percent of the homes in America want to watch.

However, I think NBC and, in fact, all the networks, have balanced programing which we know, for example, the great bulk of the people in this country do not particularly care for. I will give you some examples.

When we place 17 new shows in prime time between 7:30 and 11 at night, we know that the interest in news is much less than, for example, westerns, mysteries, or dramatic shows.

When NBC this year took the 8 to 9 period and put in live, dramatic shows on Sunday night, we knew we would not obtain the high rating of the shows on ABC and CBS. We have over 204 special shows coming up this year. They vary from Winterset to Shakespeare, live dramatic shows, comedians, and so forth. I think if you look at our schedule and study it, beginning at 6 o'clock in the morning, where we have two educational shows, continuing to 1 o'clock at night, when Jack Parr ends, you will find that we have a balanced program structure which is interesting to every important segment of the population of this country.

Let's take, for example, sports—

Mr. Moss. I think you perhaps covered enough there. I want to express my very sharp disagreement. There was a time when I would not have said that, but the change in programing in recent years has made me only a very occasional viewer of television.

I notice I am not alone. Quoting from Mr. Crosby, he says—

Any damn fool knows that 34 westerns on the scarce evening hours of the networks is far too many westerns. Any damn fool knows that 65 cops and

robber shows is too many, especially when you consider that there is not a single serious live or taped weekly dramatic program on any network. A few years ago we had a dozen, hour-long dramatic shows. Today there are none.

Then we have the problem of program content. I want to make it very clear that I would not urge or advocate in any way Government control of program content. I think there are many things that can be done which do not involve censorship. But I notice you have a department of continuity acceptance. I believe I quote you correctly that it "passes on good taste of scripts and advertising copy."

I would like to make the observation that I personally have been jolted, jarred, and revolted by some of that advertising copy which has been passed upon us as good taste. I have seen mechanical intestines, artificial stubbles, handkerchiefs burned by acid and everything else, all of the abracadabra of advertising. Has that been passed on as good taste in advertising?

Mr. KINTNER. The commercials that appear have been passed on by continuity acceptance as being in good taste.

Mr. Moss. Does the good taste of continuity of script go to the elimination of things which might be slightly offensive to a given group or perhaps controversial?

Mr. KINTNER. No; because we believe television is an important medium, just like magazines or newspapers should be controversial. But it does remove what we think are things that are in bad taste, such as obscenity, such as certain sex relationships that may be in the script.

Mr. Moss. Do you permit your sponsors to have any control of the program content?

Mr. KINTNER. We review all program content that goes on NBC; if they produce the show themselves, obviously, they have a responsibility and we must approve it. If we either produce it or buy it from other people, we furnish copies of scripts to them. We are always happy to have suggestions from the advertiser, but the final decision as to what the show will be, is that of the program department of the National Broadcasting Co.

Mr. Moss. Is the suggestion of the sponsor a rather persuasive one?

Mr. KINTNER. Not in the sense of economic power, if that is what, I think, Mr. Congressman, you are implying. But it is true that advertising agencies and advertisers have working for them very creative people. We do not claim to have a corner on creativity.

Some of their suggestions, to my mind, and perhaps many of their suggestions, make the shows more interesting and better productions.

Mr. Moss. Would it not be well to force the production of shows from the purely commercial instincts of the sponsor—and I am not saying the commercial instincts are wrong, they are very necessary—but would we not probably have better programming?

Mr. KINTNER. In my judgment we would not, no.

Mr. Moss. We have better programming if the sponsor and his agency are able to dictate effort?

Mr. KINTNER. I think in the broadcasting field, the final decision of the network in producing entertainment, et cetera, types of programs is now better than it would be if we completely controlled and put on without talking with any other creative force in the 70 hours of programming every week in the National Broadcasting Co.

Mr. Moss. Who has responsibility for program contents under the law?

Mr. KINTNER. Under the law?

Mr. Moss. Who has responsibility for program content under law?

Mr. KINTNER. In the FCC law, we have the final responsibility for everything that is broadcast over our facilities.

Mr. Moss. On your wholly owned facilities?

Mr. KINTNER. Yes.

Mr. Moss. On your five TV stations?

Mr. KINTNER. Which, of course, would apply to the network, because they carry the network service.

Mr. Moss. But each of the other individual licensees who are affiliates of yours have the final responsibility for program content?

Mr. KINTNER. That is correct.

Mr. Moss. And you exercise very effective control over those facilities, do you not?

Mr. KINTNER. The affiliates? No, I don't think we do.

Mr. Moss. Are they not a little more concerned, perhaps, with incurring your displeasure than they may be of the Commission's?

Mr. KINTNER. No, I don't think so.

Mr. Moss. Do not the laws of affiliation frequently lead to insolvency?

Mr. KINTNER. It did during the period that NBC and CBS were dominant. Now there are many markets in the country that have more than three television stations.

Mr. Moss. Is that not because an affiliation is almost a must if you are going to survive?

Mr. KINTNER. No. It is because of the spectrum and the way the FCC laid out the granting of licenses in order to prevent interferences between cities, so, for example, in Philadelphia, the Philadelphia stations would not interfere with New York or Baltimore.

Mr. Moss. Would you concede affiliation is an extremely important element in stations?

Mr. KINTNER. Yes, we believe we provide important services to the affiliates.

Mr. Moss. Second to the license the most important?

Mr. KINTNER. Yes, I would think so.

Mr. Moss. Do you think it might be well to empower the Commission to suspend licenses and impose penalties for conduct not in accord with a proper code of broadcasting?

Mr. KINTNER. In the FCC, the licenses coming upon a regular basis, the FCC should and does take into account the responsibility and management of the individual stations.

Mr. Moss. Do you not think there should be some more immediate remedy for the Commission to deal with any flagrant case which might develop?

Mr. KINTNER. I have not given it enough thought to answer, Mr. Congressman.

The FCC does have, I believe—I am not a lawyer here—certain other authorities for revoking licenses. But basically it is on a periodic basis for each station.

Mr. Moss. As you operate stations, you are a licensee of the Commission, are you not?

Mr. KINTNER. Yes, sir.

Mr. Moss. As a network, you are not?

Mr. KINTNER. No, sir.

Mr. Moss. What harm would follow, in your judgment, if you were a licensee as a network?

Mr. KINTNER. We believe that with network regulation would come the beginning of program control by the Government, being the first step, to the second, and we are opposed to that.

Mr. Moss. There is program control now, is there not?

Mr. KINTNER. Government program control?

Mr. Moss. No. But effective program control at the present time?

Mr. KINTNER. The National Broadcasting Co. is responsible for programs that go on the air, so to that extent there is program control.

Mr. Moss. To whom?

Mr. KINTNER. Pardon me?

Mr. Moss. To whom is National Broadcasting Co. responsible?

Mr. KINTNER. Responsible to FCC as the holders of five television stations.

Mr. Moss. You are only responsible in your role as owners of radio or television stations?

Mr. KINTNER. And also responsible to various Government agencies, such as the FTC, the Federal Trade Commission.

Mr. Moss. You could very easily divorce the network operation from the ownership of stations and continue in business, could you not?

Mr. KINTNER. I do not believe the network could continue in business without the revenues from the five owned stations.

Mr. Moss. Do the revenues in the stations subsidize the network?

Mr. KINTNER. No, but in order for us to maintain the type of network that we do, with the public interest, news operation, on which we lose millions of dollars, and similar public service activities, without the aid of the revenues from the five stations, I don't believe that you could run a network with balanced programming, particularly in the fields where you obtain little, if any, revenue, which are basically the new, public service, and public affairs fields.

Mr. Moss. Of course, public service, public affairs, are part of the requirements of the licensee from the Commission?

Mr. KINTNER. That is correct.

Mr. Moss. So your only concern is that if you were a licensee of the Commission you are fearful there would be an effort to control commentators?

Mr. KINTNER. We in the public affairs, public interest, and news field, we go way beyond what I believe would be the standard of the FCC for all the stations of the country. NBC believes in supplying very important news—for example, good opera, which we do four times a year, which we pay for ourselves, because the audience is so small that sponsors basically are not interested in it—and in supplying various educational and public affairs features, which sponsors basically, except for a very few, are not interested in paying for.

Mr. Moss. Are those activities supported by subsidy from the operations of the stations owned by you?

Mr. KINTNER. In part. I think overall, if you are operating a network without five owned stations, you would not be in a position to

spend the millions and millions of dollars which CBS and ourselves spend in what is the nonentertainment field, in which we lose a great deal of money, as I explained before.

Mr. MOSS. In this discussion of the fact that you feel you cannot operate as a network without the ownership of radio stations, you still do not deal with why the interference from Government would be greater if you were licensed by them as a network just as you are now licensed by them as a station owner?

Mr. KINTNER. We feel that way because the network is the basic supplier of the programing and option hours, which are 3 hours in the morning, 3 hours in the afternoon, and 3 hours at night, and our principal part of the broadcast day; and if we had network regulation it would be a step in having program control by the Government.

Mr. MOSS. Of course, you are entitled to your opinion. I cannot agree.

Mr. KINTNER. Of course, you are, too.

Mr. MOSS. I do not think that the two go together. I have read much which disturbs me, particularly in recent weeks, regarding the type of regulation which is already imposed, regulation which is responsive primarily to the ratings given programs, and I think, as a matter only of personal judgment, that we get into sort of a vicious circle.

There are evenings in my area, where if anyone called to inquire for a rating, and TV was on, it could only be on for one of two things, westerns or detective stories. I would imagine that it would appear that people just love westerns or detective stories.

In many one-station communities, they might be more restricted, to just the westerns.

Mr. KINTNER. Mr. Congressman, as you say, everyone is entitled to his opinion, and I do not think that is the choice. I think to take the example of the fact that there are 204 special shows on NBC, and, of course, between September and June, the number of westerns has been exaggerated.

However, I must say that I think a western, if it is a good western, is a proper type show to have on television. I think mystery, if it is a good mystery, is a proper type. In addition, I think there should be, as we have, live variety shows by Steve Allen, Perry Como, Dinah Shore. In fact, I think every gamut of the entertainment world should be on television at hours where the segment, the maximum segment, of the population is interested.

Mr. MOSS. You absolutely are convinced that you have achieved the proper balance in programing in the public interest?

Mr. KINTNER. We think we have achieved the proper balance. If we can't improve it as years go by, we will be disappointed. But we do believe we have a balanced program structure and it is a good balanced program structure.

Mr. MOSS. Those are all of my questions.

Mr. KINTNER. Thank you very much.

The CHAIRMAN. Mr. Kintner, I am sure you are becoming a little weary.

Mr. KINTNER. It is perfectly all right, sir.

The CHAIRMAN. You gave a rather lengthy statement requiring some time for questioning concerning it. You have submitted your-

self to a long series of questions, in our determined effort to obtain from you as much information as we possibly can get. It has been helpful to this committee, with its objectives in determining the facts in these matters, and what, if anything, should be done about them.

I certainly would not, at this late hour, attempt to go over some of the things that have been, I think, very well covered, and I think most everything, as a matter of fact, has been fairly well covered.

I believe you said you would furnish the copy of the contract Mr. Flynt was inquiring about a little while ago.

Mr. KINTNER. Yes, sir.

The CHAIRMAN. I have just one or two questions.

You and your organization think very highly of ratings, do you not?

Mr. KINTNER. Yes.

We believe that ratings are an indication of the public interest. We think the ratings are used wrongly by people who are unfamiliar with them. They should represent the trend rather than an absolute.

The CHAIRMAN. Do you think as a result of what has been uncovered and revealed by the grand jury of New York and this subcommittee, and other sources, that it has, to some extent, jeopardized the television industry?

Mr. KINTNER. To some extent. I would hope it would not be permanent. I would hope that the steps that the industry is taking, and I can only speak for NBC, will correct the damage.

The CHAIRMAN. I want to compliment you and your organization for the steps that you have finally taken in an effort to do something about it.

Your statement, of course, is of such nature that it explained what attitude you had and what your organization had, and your efforts when you finally came to the realization of what was taking place, your efforts to do something about it.

These ratings—and I will not go into that as another committee on the other side has that under consideration—has caused me to be interested in the so-called survey in public opinion that was reported in Broadcasting this week.

Did you have occasion to see that?

Mr. KINTNER. No, I have not.

The CHAIRMAN (reading) :

The waves of publicity generated by the television quiz investigation have had little effect on the public's opinion of TV.

Do you agree with that?

Mr. KINTNER. I can only judge it by our mail and our reactions, and if our mail is correct, the public is not as concerned, for example, as the National Broadcasting Co.

The CHAIRMAN. Do you agree that they could go out and in a very fast survey contact some 2,289, and then get a correct report?

Mr. KINTNER. I am not familiar with the service there, Mr. Chairman. I do believe that with the kind of sample you are referring to, if it is done expertly by expert people, you can get an indication of the reaction of the public.

The CHAIRMAN. Do you know Sindlinger?

Mr. KINTNER. I know him by reputation, as surveys have been in the motion picture field, as to whether motion pictures are popular

or not popular. His is a competent organization, I am sure. I just personally have never had any direct dealings with him.

The CHAIRMAN. But on contacting 2,200-plus households, they come up with this report.

On the question, "What is your opinion of the current quiz show investigation?"—and remember, only 2,200 households were contacted—favoring it, 46,170,000; don't favor it, 32,962,000; no opinion, 18,790,000; evasive, 9,985,000.

Is that the kind of surveys you usually get, when you contact a few and then you take the whole population of the United States and add it up and come out to this kind of figure?

Mr. KINTNER. There is no question in my mind on research, and I am not talking about this particular article, but on research, on radio and television, if the sample is proper as to geographical location and age and people, they tell us that by 2,200 interviews you can come out with what the country generally thinks.

The CHAIRMAN. Is it not generally considered, and I am asking you because you are a very major part of the industry, that Broadcasting is the voice of the industry?

Mr. KINTNER. Mr. Chairman, you are putting me on a great spot with Mr. Taishoff who runs and owns it.

No, I don't consider it that. I think it is a trade publication that follows radio and television very carefully.

The CHAIRMAN. I will agree on the latter part of the statement.

Mr. KINTNER. But I do not believe that people thing that Broadcasting speaks for NBC or any others.

The CHAIRMAN. I cannot give you a public opinion survey on it, but my impression has been over the years that this was a trade magazine that did pretty well voice the opinion of the industry, itself. If I have been mistaken about it, I certainly would stand corrected.

Mr. KINTNER. I can give you only my own judgment.

It does not represent the voice of NBC. Many, many times they print articles with which we violently disagree. However, I must say I think it is an extremely competent, well-informed trade publication.

The CHAIRMAN. To me, that is one of the things that is so important. You have recognized some of the difficulties in your organization, and you have a great organization.

But to me, one of the things that seems so important is that those who have that responsibility, if they fail to assume that responsibility, and through some method—I started to say devious method, but I would not want to say that about Broadcasting—attempt to cover up the real facts, instead of recognizing them. They should come forward with some kind of a solution to help improve the situation. It is the kind of condition which, if it exists, if it continues to exist, I feel ultimately will bring about what you do not want, what I do not want, what I know a lot of other people do not want, and that is the kind of rigid, Government controls we do not think best for such an industry as that, the kind of censoring of programs which we do not as yet accept in this country.

In my own mind at this time, I am trying to emphasize the fact of the importance of those who are in responsible positions, such as your organization and all licensees in this country, to recognize the facts of life and what you have to deal with in the future.

I have a feeling that if that is done, we will come to the point that the American people will have confidence in this great industry that has meant so much to the American people. It is the greatest means of communication of any country in any nation in all the history of the world. We want to keep it that way.

I certainly join others in joining you and all of your industry in trying to bring about that kind of an attitude and condition in the country.

Mr. KINTNER. I agree completely with your comments, Mr. Chairman.

The CHAIRMAN. That is the way I feel about it. If nothing else comes of these hearings, if that can be accomplished, then it will have been worth every bit of it.

Without belaboring this meeting any longer and wearing you down, and me, too, I want to thank you for your willingness to come down and appear. I regret that Mr. Cowan was unable to be here—

Mr. KINTNER. Pardon me.

The CHAIRMAN. I am sorry. He is with CBS.

Mr. KINTNER. He is with CBS. He is a very able executive.

The CHAIRMAN. But we do appreciate your willingness to come here. I know we invited you at a late date to come and do this, and I know you had to prepare for it in a hurry.

But that manifests your willingness to be helpful to the subcommittee. For that, we thank you.

Mr. KINTNER. Could I express my thanks to you for giving me an opportunity to appear, and also the members of the committee for the courtesy that was afforded me.

Perhaps we don't all agree on the same thing, but I was treated fairly, and I want to thank you, sir, and everyone else on the committee.

The CHAIRMAN. It is nice to have had you here for this phase of our hearing.

Again, thank you.

Mr. KINTNER. Thank you.

The CHAIRMAN. The subcommittee is going to ask that we have the room vacated as expeditiously as we can. We will have a few minutes of executive session.

Furthermore, the subcommittee will recess until 10 o'clock promptly, in the morning, at which time Dr. Frank Stanton, with the Columbia Broadcasting System, will be the witness.

(Thereupon, at 6:40 p.m., the subcommittee proceeded into executive session.)

INVESTIGATION OF TELEVISION QUIZ SHOWS

FRIDAY, NOVEMBER 6, 1959

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON LEGISLATIVE
OVERSIGHT OF THE COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE,

Washington, D.C.

The special subcommittee met at 10 a.m., in the caucus room, Old House Office Building, Hon. Oren Harris (chairman) presiding.

Present: Representatives Harris, Mack of Illinois, Rogers of Texas, Flynt, Moss, and Bennett.

Also present: Robert W. Lishman, counsel; Beverly M. Coleman, principal attorney; Richard N. Goodwin, special consultant; Herman Clay Beasley, clerk; and Jack Marshall Stark, minority counsel.

THE CHAIRMAN. The subcommittee will be in order.

Dr. Stanton, would you be sworn, please.

Do you solemnly swear the testimony you give to this subcommittee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. STANTON. I do.

TESTIMONY OF FRANK STANTON, PRESIDENT, COLUMBIA BROADCASTING SYSTEM, INC.

THE CHAIRMAN. Will you please state your name for the record?

Mr. STANTON. Mr. Chairman and members of the subcommittee, my name is Frank Stanton. I am president of Columbia Broadcasting System.

THE CHAIRMAN. I observe you have a statement, Doctor. If you desire to present it at this time, you may do so.

Mr. STANTON. I would like to do so. Thank you, Mr. Chairman.

By way of background, CBS is made up of eight operating divisions, each with its own president.

The divisions having to do with broadcasting are CBS Television Network, CBS Television Stations, CBS Radio, and CBS News.

Subject to the general policies of Columbia Broadcasting System, Inc., our practice is to make these divisions as autonomous as possible in their day-to-day operations, thus taking maximum advantage of the administrative and creative talents associated with us.

I welcome your invitation to be here, because the exposure by your committee of this quiz show scandal in its every tawdry detail, has raised serious problems for the Columbia Broadcasting System, the corporate parent of all of its divisions.

It is to those problems and what we are doing about them that I wish to devote my attention.

Mr. Thomas K. Fisher, vice president and general attorney of the CBS Television Network Division, testified on October 9 as to what CBS Television Network has done during the 15 months since August 8, 1958, about quiz shows that have appeared on our network.

I am sorry that Mr. Louis G. Cowan, president and operating head of CBS Television Network cannot be here.

Several weeks ago he was asked by a staff member of this committee if he would appear before you. He had expected to do so at the time when the committee decided to call Mr. Fisher. He still expected to do so when he was suddenly stricken with a thrombophlebitis of the left leg on October 20, and was taken to the Harkness Pavilion of the Presbyterian Hospital, where he still is.

I may prove to be a less than completely satisfactory witness if your questions get into the details of the operation of CBS Television Network. I shall have to rely in matters having to do with quiz shows on reports given me by Mr. Cowan and Mr. Fisher, a summary of which was given to you by Mr. Fisher himself.

He testified that when we first had tangible evidence that there were irregularities on one of our quiz shows on CBS Television Network 15 months ago, our people moved promptly into an examination of all of our quiz show programs.

I want to say here and now that I was completely unaware until August 8, 1958, of any irregularity in the quiz shows on our network. When gossip about quiz shows in general came to my attention, I was assured by our television network people that these shows were completely above criticism of this kind. With benefit of hindsight, it is now clear that I should have gone further.

Late on Friday night, August 8, of last year, I was told by Mr. Fisher that he had that day learned of explicit charges that one of the quiz shows on CBS Television Network was being rigged, and that he had reported this to Mr. Cowan. Mr. Cowan had already asked Mr. Fisher to start an immediate investigation, with the understanding that if evidence could be found, CBS Television Network would remove the show from the air promptly.

As Mr. Fisher told you, sufficient supporting evidence was found within a week, and the program was thrown off the air.

I shall not attempt to review Mr. Fisher's recital here of the investigation immediately ordered of all quiz programs on CBS Television Network and the steps taken as a result.

I would like to remind you that within 6 months we had moved against three other quiz shows.

Weeks ago it became quite clear to those of us responsible for the management of the Columbia Broadcasting System that the cheap and irresponsible behind-the-scenes practices in the production of quiz shows had profound effects far beyond the shows themselves. The integrity of all broadcasting has been challenged.

That has been a bitter pill for us to swallow. It means that public impressions based upon a relatively small percentage of our total program schedule have carried over into everything we put on network television.

It means that, momentarily at least, the fine and creative people to whom we are indebted for so much in the way of news and public affairs and topflight drama and general entertainment are lumped

with the few people who have acted with inexcusable lack of moral sense.

Unpalatable though it is, this is a fact we have had to face. We cannot brush off these criticisms by saying that these quiz shows were produced and owned by outside companies.

We are not looking for a scapegoat on which to brush off our own shortcomings. Whether it is a quiz program or commercial or a news broadcast or whatever, we are held responsible for what appears on CBS.

We accept that responsibility and the quiz show scandal has led us to reexamine the whole area of our responsibility.

This may seem to you, as it does to us in hindsight, a belated recognition of the scope of our obligations. It is possible that we have had all along more elbowroom for exercising authority than we believed.

On the other hand, we have also been criticized for asserting too much authority. We are constantly reminded of the limitations on our authority by the rights and obligations of our affiliated stations under the Federal Communications Act, by the restrictions of the antitrust laws, and by asserted rights of advertisers.

In this reappraisal of what people are entitled to expect of us, we started with the matter in hand, the quiz shows.

With full realization that we had not done all we should have done, we explored with care the possibility of so policing the production of these big money shows that we could be quite certain that the kind of thing you have exposed could never happen again.

We were forced to the conclusion that we could never be sure about these programs as presently conceived.

The testimony of witnesses here regarding the devious ways in which control can be exercised confirmed us in this conclusion.

After all, with stakes so high, there is always the danger that these programs may be rigged in one way or another, despite a whole squad of investigators in the studio. Penalties for violation may be legislated, but not even legislation and the power of subpoena can assure the prevention of violations, as is proven by the continuation of crime despite stringent criminal laws.

Since our integrity is involved, we felt we must be certain, not almost certain.

Our only course was to remove from our schedule all quiz shows whose major appeal is the winning by contestants of large sums of money, or lavishly expensive prizes.

Our decision to do exactly that was made and announced 3 weeks ago, on October 16. This threatened to be a most expensive decision, involving as it did the removal of 5½ hours a week of programming.

I must say, however, that the sponsors of these shows quickly saw the dilemma, agreed with the wisdom of our decision, and have been most helpful in cooperating to implement it. This has been a heartening experience in an otherwise dismal picture.

I also made it clear in my public statement of October 16, in New Orleans, that this single action did not by any means accomplish our whole aim. I announced that we were taking a fresh, hard look at our basic operational theories and practices as they affect the whole pattern of everything that appears on CBS Television Network, and I mean everything.

I said that the time had come for those of us at CBS to make certain that we are the masters of our own house. We propose to be more certain in the future that it is we and we alone who decide not only what is to appear on CBS Television Network, but how it is to appear.

We accept the responsibility for content and quality and for assurance to the American people that what they see and hear on CBS programs is exactly what it purports to be.

We know that in the discharge of this responsibility we will undoubtedly be challenged in many ways from many quarters, and already have been.

The road to our goal is a rough one, presenting many complex problems, and it cannot be traveled the whole way overnight. We know we are going to have to proceed slowly and with as much wisdom as we can muster, but we are on our way. And as we become sure of our ground on each step, changes in traditional practices will be announced.

In all of this, we start from the conviction that the very nature of television requires its broadcasts to be exactly what they purport to be.

Television programs range over a wide area, from reports of events actually happening at the moment to programs carefully planned in advance to achieve maximum entertainment, many of them involving the highly imaginative qualities of a world of make-believe and pure fiction.

Our program schedule ranges from hard news and actuality broadcasts through documentaries and political interviews, panel shows, and audience participation shows to dramas, comedy programs, and variety and musical shows.

With this varied fare included in one medium, with fiction and fact in varying degrees, frequently in close juxtaposition, each program must clearly be what it appears to be.

The test in every case must be whether any substantial number of the viewing audience is likely, in the given circumstances, to be deceived or misled as to the true nature of the program being offered. That test requires the exercise of human discretion in applying a "rule of reason."

For example, there is, of course, no need for labeling drama as fiction; theatrical conventions are so solidly planted in the minds of the viewing public that it involves no problem of misconception.

With all of this in mind, we are now preparing to move another step forward and to issue general rules covering all program areas in order to assure that programs will be exactly what they appear to be.

I should say, also, that we are giving much thought to that very important problem, the advertiser's commercial. Discontent with commercials springs from the feeling that there are too many of them, or that some of them harshly intrude upon the mood of the program, or that they are too often blatant, or that they are sometimes in bad taste.

This, of course, is an enormously complex problem.

The fact of the matter is that the advertiser who picks up the check is entitled to his commercial.

Furthermore, our whole economy rests upon mass production, and mass production requires mass distribution. And television plays a key role in mass distribution.

As we tackle this problem of commercials, we have a fundamental source of encouragement. We know that in the long run it is as much to the advantage of the advertiser as to the broadcaster that there be public confidence in the medium of television and public support for its practices.

Without this confidence and support, the audience will dwindle.

Any practical attempt to change the standards of commercials involves three groups: the advertisers, the networks, and the more than 500 individual television stations.

We are now exploring with the National Association of Broadcasters ways by which, through its code committee, general agreement might be reached among these three groups on a new code which will recognize and eliminate legitimate complaints. We have great confidence that with the cooperation of those whose interests are involved, we may, before too long, come to some satisfactory answer to this important problem, an answer, I must confess, I am not prepared to give you today.

There remains the question of possible legislation designed to cure the evils exposed in these hearings.

It might be desirable for Congress to pass a law making it a crime to use deceitful practices in any game or contest on or in any advertising medium.

It might also be desirable to expand or clarify the authority of the Federal Trade Commission to issue cease-and-desist orders when such deceitful practices are proven.

If this committee decides that new laws along these lines are called for, we are prepared to help in any way we can in the development and drafting of such proposed legislation.

However, we are confident that this committee would not recommend legislation which would invade the areas of programing content or result in censorship.

It must be apparent from what I have said that we believe that legislation is no cure-all for these ills and that the primary responsibility lies with the broadcasting industry itself.

CBS is moving forward in that conviction.

The CHAIRMAN. Does that conclude your statement, Mr. Stanton?

Mr. STANTON. It does, sir.

The CHAIRMAN. I, for one, want to compliment you for a very frank and forthright statement, recognizing the problems in connection with the particularly unfortunate conditions which have been revealed and exposed in the industry.

You advised me of your statement in New Orleans. I thought that was a bold venture, so to speak, and your recognition of the admitted acts here, and your decision to move in, which changes somewhat the position which the industry has held, particularly the networks have held over the years, with reference to assuming responsibility in certain areas. I know there has been great controversy on that.

Now your decision to lay down hard and fast rules to govern these matters in the future is very interesting, to me, at least, and I shall watch the result with a great deal of interest.

Also, your attitude toward legislation that might be needed in this field is certainly commendable, and the committee would naturally be glad to have any recommendations which your company, having had the experience that it has, would offer in this field. I am somewhat inclined to agree with your indication that there might be something necessary in both the field of criminal actions and extending jurisdiction to the regulatory agencies. That is something, of course, the committee will have to discuss further as soon as these hearings are completed and we have an opportunity to get together.

I am sure that in view of your position and the position of your network, and the knowledge that you have in this field, including your statement on these conditions, there will be a number of questions which the subcommittee members may have.

Mr. MACK. I yield to the staff if they would like to proceed.

The CHAIRMAN. Mr. Lishman.

Mr. LISHMAN. Mr. Stanton, you have been connected with both the radio and television industry for some time, haven't you?

Mr. STANTON. Yes. I first came into the industry in 1935.

Mr. LISHMAN. And in what capacity did you come into the industry in 1935?

Mr. STANTON. I came in directly from graduate school at Ohio State University, and organized the research department for the Columbia Broadcasting System.

Mr. LISHMAN. And the problems that are now currently raging were recognized long ago, weren't they?

Mr. STANTON. Mr. Lishman, it would be helpful in trying to answer that question if you could give me the precise frame of reference.

Mr. LISHMAN. I will refer to the so-called famous Blue Book. Are you familiar with that?

Mr. STANTON. I am.

Mr. LISHMAN. That is a book entitled—it is a report dated March 7, 1946, of the Federal Communications Commission, entitled "Public Service Responsibility of Broadcast Licensees." Are you familiar with that report?

Mr. STANTON. I haven't looked at it in several years, but I certainly was familiar with it at the time, and I know the thrust of the position that the Commission took.

Mr. LISHMAN. Well, not only the thrust of the position, doesn't that report show that as early as 1928, the then Secretary of Commerce Hoover, who later became President, was alarmed at the non-public interest use of the airwaves?

Mr. STANTON. I had forgotten about that part of the report, sir.

Mr. LISHMAN. I will remind you of his words from the report.

On page 14 of the report, at the First Annual Radio Conference in 1922, Secretary of Commerce Herbert Hoover declared:

It is inconceivable that we should allow so great a possibility for service, for news, for entertainment, for education, and for vital commercial purposes, to be drowned in advertising chatter.

Do you have that report before you?

Mr. STANTON. I do not.

Mr. LISHMAN. Are you not quoted in this report, to the best of your recollection, as having your attention at that time called to the possibilities inherent in excess commercialization of airwave facilities?

Mr. STANTON. Mr. Lishman, when you ask me if I am quoted in that report, do you refer back to the time of Herbert Hoover, or are you talking about 1946?

Mr. LISHMAN. No, in the report itself.

I will refresh your recollection, Mr. Stanton. I will show it to you.

Mr. STANTON. It would be helpful.

Yes, that is helpful. I now see what you are referring to.

Mr. LISHMAN. The point I am trying to make, frankly, Mr. Stanton, is not in criticism or anything of that kind. I am trying to establish that the problems that we are now grappling with have been known to the industry from the very early days.

Mr. STANTON. Mr. Lishman, I couldn't agree with you more, and I think that if you and I are here 20 years from now, these will be probably the same issues if we still have a free society. I would be the last to say that commercial television is perfect. But I think it is better than a Government television service or anything that anyone else has been able to propose as an alternative to those two extremes.

I think we constantly must be examining abuses and excesses, our whole philosophy and objectives. This isn't a static business. It is constantly changing. We are always reaching for new objectives, and I always hope that they will be better objectives. So I couldn't agree, as I said, more, that this was a problem when radio started. It was a problem when television started, and it will be with us for a long time to come.

I hope that we can conduct ourselves in a way that we wouldn't have the kind of thing we have had in the quiz scandal, but at any rate we will always have these differences of opinion because we are not serving a narrow segment of the population; we are serving 45 to 50 million families. Any service that tries to be that broad is bound to be out of step with part of that population at some time in its operating schedule.

Mr. LISHMAN. You understand, Mr. Stanton, that as far as any questions I am asking you are concerned, we are not interested in fostering censorship. We are just trying to see if there isn't some way short of that where we can have some commonsense and common decency in the use of the airwaves.

Mr. STANTON. Again I agree 100 percent with your objective.

Mr. LISHMAN. In view of your long experience in both radio and the television industry, isn't it rather remarkable that it wasn't until August 8, 1958, that you had any inkling of any irregularity in the quiz shows on your network?

Mr. STANTON. I wouldn't say that I didn't have any inkling, but an inkling is a long way from something on which you can take affirmative action.

I wouldn't say it is so remarkable that I didn't know it. But let me couple with that immediately the fact that I am not alibiing the fact. I have said that I didn't know about it until August 8. I had no tangible evidence before that time.

Mr. LISHMAN. Did you have enough evidence of any kind, whether tangible or intangible, to warrant your having an investigation made by the proper officials of CBS?

Mr. STANTON. I would qualify my response to say that I had enough curiosity to ask, on two or more occasions, about specific instances

about the quiz programs, but when I inquired of the operating officers of the company about these instances and was assured that there was nothing out of line, I didn't press.

Now it is clear to be seen that I should have pressed. But the fact still remains that I didn't have any knowledge of this until the first week in August of 1958.

Mr. LISHMAN. It seems remarkable that you and the president of NBC both take this August 8, 1958, date as the first date on which you were aware of any rigging of quiz shows or of irregularity.

Mr. STANTON. No, Mr. Lishman, we don't take the same date.

Mr. Kintner, I believe, took the date of August 14, and I took the date of August 8, and I think I can explain why the coincidence—

Mr. LISHMAN. Let's say August of the same year.

Mr. STANTON. It is even sharper than that, because the coincidence flows out of the fact that the program on which the irregularities were discovered was a program that was broadcast in the daytime on the CBS television network and at nighttime on the NBC television network. So you had a common source of information.

The reason we knew on August 8, I suppose, is because it was a daytime series and was on 15 times a week.

As soon as we heard about it, it was a Friday—NBC was brought into the picture a little later, but I am sure the same time in the month is easily explainable.

Mr. LISHMAN. Mr. Stanton, were you familiar with the article which appeared in Time magazine, April 22, 1957, entitled "The \$60 Million Question"?

Mr. STANTON. Well, I am familiar with the article, but I was not familiar with it in 1957.

Mr. LISHMAN. Was that ever discussed by representatives of CBS, officials of CBS?

Mr. STANTON. I cannot answer that question. To the best of my knowledge, I just do not know, because the article was not discussed with me, nor did I bring it to the attention of anyone else.

Mr. LISHMAN. This article squarely raises the question: Are the quiz shows rigged?

The question, worth far more than \$60,000 in an industry that is plunging \$60 million a year in such programs, has tickled the curiosity of millions of TV watchers.

Then the article goes on to mention programs, including the "\$64,000 Question," the "\$64,000 Challenge," "Stop the Music," "Do You Trust Your Wife," "Strike It Rich," and a number of others.

It would seem that this should have aroused some curiosity in the network that was spreading these programs over the airwaves, and yet you say at that time you recall no discussion that you had concerning this article.

Mr. STANTON. It so happened at the time that article was published I was on a trip out of the country. But that is, again, no alibi. It may have been discussed; I don't know.

Mr. LISHMAN. Could you explain why no inquiry was really made into the matter at that time?

Mr. STANTON. I have some thoughts on that, yes.

Mr. LISHMAN. I would like to hear what they are, if you don't mind.

Mr. STANTON. I read the article for the first time just recently, and

when you read that article against what this committee has uncovered, words that are used in the article take on a meaning which I am sure they did not have for many people at the time the article was read originally.

When you read the things that were published back in the 1957 period, they read differently today, because we have filled in many of the gaps, and I think you have to recognize that, and also you have to remember that responsible people made inquiry and were reassured and were unable to turn up anything that they considered something that was worth following up with an investigation.

Let's look at it quite frankly, because there are plenty of people who would have jumped on us if they had thought there was substance behind those stories. There were congressional committees that didn't pick up these curious facts that are now disclosed in there; there was the FCC. I can even go further.

The management of the publication that ran that article and actually had the information is the licensee of four affiliates of the networks that were carrying those programs. The same management that was privy to the information that is in that article continued to carry the programs that were being fed to them.

I haven't looked, but I have no recollection that the licensee said, as a result of this story, "We are not going to clear for '\$64,000 Challenge' or the '\$64,000 Question' until you reassure us on these points."

I don't say this as criticism. I simply am trying to set the clock back to the atmosphere at that time.

Mr. LISHMAN. Mr. Stanton, with reference to why some congressional committees did not pick up this matter at the time, I would like to point out that last year, as far as this subcommittee is concerned, it was up to its ears in going into television scandals, and it also had the Adams affair which it had been looking into, so we have reached this matter in the normal sequence of our procedures.

Mr. STANTON. I wasn't pointing a finger at you or this committee. I was saying generally that with the interest that there is in Congress, and as there properly should be, in what goes on in the public airwaves, to the best of my knowledge, no one said, "Hey, there ought to be something looked into here."

Let me give you one more thing—

Mr. LISHMAN. May I interrupt there?

If we are going to have this self-policing we have heard so much about, does that mean there would not be any self-policing until a committee such as this, or some agency, says, "There is a crime in there, go and do something about it"?

Mr. STANTON. Not at all.

Mr. LISHMAN. I would like to understand that.

Mr. STANTON. I think the record is quite clear on that.

We have taken affirmative action without waiting until someone spoke to us about things, and I mean someone in Washington speaking to us about them.

Certainly you will have the industry taking action independently of outside pressure.

Mr. LISHMAN. Getting back to this Time article, you characterized it as having language which wouldn't have meant much at the time, but only gained a real meaning as a result of our investigations.

I would like to read some of this language that appeared in this article of April 22, 1957. It says:

Even the chitchat between contestant and quiz master on "Twenty-one" and "\$64,000 Question" is composed and drilled in advance. On "What's My Line," the panel does not know the guests' occupation it is supposed to guess, but its members are prompted before airtime with questions calculated to produce the funny double entendre.

When "Trust Your Wife" uses celebrities as contestants, they are guaranteed a fee regardless of whether they won. "Of course," said a Hollywood agent who gets requests from quiz shows for celebrities, "they don't ask anything to make them look stupid."

"Strike It Rich" rehearses some questions with its guests. The bit money shows are subtler. With huge audiences at stake, they go to extremes to appear beyond reproach—

and so on. All the way through here, it seems to me that this article speaks in language that is as plain as it can be, that there were riggings going on in these quiz shows.

This is a year before either you or the National Broadcasting Co. were aware of anything that was going on. That is the thing that is very difficult to understand.

Mr. STANTON. Does this article say, sir, that there was a rigging?

Mr. LISHMAN. I don't know whether you call it rigging if it says they rehearsed in advance of appearing on the program, but I would.

Mr. STANTON. This does not have to do with the rehearsing of the question and the answer. The article didn't say that the rehearsal of the "\$64,000 Question" or "Challenge" or "Twenty-one" was a question and answer rehearsal, did it, sir?

Mr. LISHMAN. With regard to "Trust Your Wife," it says it was rehearsed in advance. Rather, in "Strike It Rich" they say that. It rehearses some questions with its guests.

Mr. STANTON. Some questions, but it doesn't necessarily mean that those were the prize questions.

I don't want to quibble about the language. All I was saying was that it is easy now to read that article and say, "My gosh, why didn't we do something about it?" But let me also say that when you read an article like that, you have to think in terms of some of the possible motivations for it.

If you were running for office and your competitor said something about you, I think you would be less inclined to take it seriously than if a coworker said it about you. This is the same publication that is fighting for advertiser dollars and information the same as we are, and it is also the same publication that has attacked us pretty severely on commercial grounds, not advertising but on purely economic and commercial grounds.

I think you have to go back into the atmosphere, the climate, at the time this appeared. This isn't to excuse us for not knowing more, but I say we weren't triggered and perhaps shouldn't have been by that article.

Mr. LISHMAN. You asked previously whether this article stated that questions had been furnished in advance, and I will say that it does. Later on in the article, in connection with the "Big Surprise," it states:

Showman Newells T. Granlon, who won \$10,000 from the "Big Surprise," on extremely easy questions, admits that some of the questions he answered during his screening interview may have turned up on the show, itself.

There is a specific example.

Mr. STANTON. "May have turned up?"

Mr. LISHMAN. Yes.

Mr. STANTON. I was addressing myself, naturally enough, and I am sure you will understand it, to the questions on our network and not those on others. But I don't think that is even too strong in the statement given. It is couched in the "may."

Mr. LISHMAN. But wasn't that show produced by the same producers who produced the "\$64,000 Question?"

Mr. STANTON. The same producer?

Mr. LISHMAN. Yes.

Mr. STANTON. I do not know. It came from the same production company, but I don't know that it had the same producer.

Mr. LISHMAN. Turning to another article which appeared a year before anyone in the networks was aware of what was going on, there is an article in Look magazine for August 20, 1957, entitled "Are TV Quiz Shows Fixed?"

Was that article ever brought to your attention at or about that time?

Mr. STANTON. It was not.

Mr. LISHMAN. Do you know whether it was ever discussed by officials of CBS?

Mr. STANTON. I do not know.

Mr. LISHMAN. Mr. Stanton, do you feel that proper diligence was displayed in 1957, by the television industry? That is, with respect to these quiz shows.

Mr. STANTON. It is a difficult question to answer, Mr. Lishman, because your answer is colored by the events that have taken place since.

Certainly, in the face of what we know now, the answer has to be we didn't exercise due diligence. I tried to say in my statement here, and I said it in New Orleans, that we should have gone further, and that hindsight is always 20-20.

Mr. LISHMAN. Do you think it might cause the networks to exercise more diligence if the Federal Communications Commission were to advise individual licensees of their responsibilities of what goes over the airwaves and indicate to them that when they come up for renewal their program content will be carefully scrutinized, and if deceit has been peddled over their station it will be a major consideration in refusing to renew their license?

Mr. STANTON. Well, I certainly believe that everything should be done to make sure that deceit does not appear on the air. I only want to be sure that in the process of taking the steps to insure that condition, that we don't destroy the medium that has got so much promise, I think, for the future of the country.

Mr. LISHMAN. I agree with the last statement you made, Mr. Stanton. I have no quarrel with it. But when we find that deceit has been peddled over the airwaves on the scale that these hearings have revealed, it seems that something will have to be done besides relying on the diligence and self-policing of the networks.

There were storm signals all over the place and apparently nobody took notice of them.

Mr. STANTON. Wait a minute. There weren't storm signals all over the place.

MR. LISHMAN. I would say these articles in these national magazines were storm signals.

MR. STANTON. When your competitor starts throwing stones at you, that isn't necessarily a signal.

I don't want to quibble about that, but I think you have to recognize that these are competitors who were throwing the stones, competitors who had licenses, competitors who had affiliates with TV networks which were broadcasting these programs.

Did the management of those stations, the same management that published those articles, say to the networks, "We don't want to take these programs because under our license responsibilities we want to be sure?"

That is the question I would like to ask.

Sure, we were wrong. I am not denying that, but I am simply saying that a lot of people made the mistake. I wouldn't say that storm signals were up all over. Very few people knew about this.

MR. LISHMAN. I have no more questions, Mr. Chairman.

THE CHAIRMAN. Mr. Mack.

MR. MACK. Dr. Stanton, is Thomas K. Fisher in your employ?

MR. STANTON. He is general attorney; yes, sir.

MR. MACK. When he was before this subcommittee recently, I asked him about his investigation of the rigging of TV shows, and at that time he stated, I believe, that he was naive.

You normally don't hire people who are naive in that capacity, do you?

MR. STANTON. Well, Mr. Fisher was hired for his excellence as a lawyer. I think Mr. Fisher was not saying he was naive in the area in which he had been hired. He found himself in an industry where he expressed this naivete because there were things in this industry that he had not experienced in other positions.

But I will say, in looking back, that I was naive because I, in fact, grew up in this business. I came right out of college right into CBS. I should have known. I at least should have been more curious. But the fact is clear I wasn't.

MR. MACK. And Mr. Fisher is the one who had the responsibility of conducting this investigation, I believe, that you have referred to?

MR. STANTON. As soon as we received word about the irregularities on the daytime program that was thrown off in 1958, Mr. Fisher moved in on the investigation, and that is when he was charged with the responsibility of investigating this particular practice.

MR. MACK. And you found out for the first time in August of 1958, that these programs were rigged?

MR. STANTON. Yes.

I became involved in it personally, and it was on the night of August 8, 1958, that was my first knowledge of anything that was tangible.

MR. MACK. And you had nothing, no knowledge at that time, in your long experience in this industry, to indicate that these shows might be rigged?

MR. STANTON. No.

I indicated, I believe, in response to a question of Mr. Lishman, that I was curious on a number of occasions when skeptics doubted the abilities of the contestants, and I raised questions about this

with my associates and was reassured that it was on the level. So I did express curiosity, but I didn't initiate an investigation of the kind that we initiated as soon as we found some evidence of wrongdoing.

Mr. MACK. What is the position of Mr. Cowan with your organization?

Mr. STANTON. Mr. Cowan is presently president of the CBS television network division, the division which is responsible for the operation of the network.

Mr. MACK. Is that one of the eight divisions?

Mr. STANTON. It is, sir.

Mr. MACK. It is one of the eight divisions?

Mr. STANTON. It is one of the eight divisions.

Mr. MACK. Then he should be familiar with the operation, even more familiar with it, than you or Mr. Fisher; is that correct?

Mr. STANTON. That is correct, generally speaking, yes.

Mr. MACK. He would be in closer touch with the actual operation than either of you?

Mr. STANTON. Yes, by the very definition of responsibility within the company structure, he would be closer to operations in that area.

Mr. MACK. That was my understanding.

We have received testimony that the "\$64,000" programs were rigged from the very start. We have had some information that would lead us to believe that they might have been rigged on the very first night that it appeared.

Mr. STANTON. I was not aware of the fact that you had that information, sir.

Mr. MACK. I said we had information that would lead us to believe it was rigged the first night. I think that information has been introduced in our public hearings prior to this time.

It is my understanding that Mr. Cowan was the originator of this program. Is that correct?

Mr. STANTON. He was the originator of the "\$64,000 Question." Seven weeks or six weeks after that program began, he joined the Columbia Broadcasting System, not in the job he has now, but as a staff officer attached to my office, where he had no operating responsibilities, but where his sole function was to advise me on matters having to do with creative problems in the various divisions, where creative problems and programing apply. This could range as far as the selection of music for the Columbia records division, on through to programing problems in radio and television.

Mr. MACK. It would seem reasonable that if he were responsible on the first night, that he would be aware of the practices engaged in on this program. Is that a fair assumption on my part?

Mr. STANTON. I would have to answer you in the affirmative, certainly, because if I were responsible for the development of the program on the first night, at least I would have been very close to the operation.

Mr. MACK. Then if we assume that Mr. Cowan knew that these programs were rigged on the very first night, do you not think he would have, in that case, responsibility to advise you, to certainly advise you and perhaps Mr. Fisher?

Mr. STANTON. Absolutely, but I want to underscore, and you did it orally just now, if we assume, and I think this is an enormous

assumption. I have associated with Mr. Cowan in business for a number of years. I have known him for a much longer period than that. I talked with him about the question of the possible rigging of these shows on a number of occasions prior to the time that we had any tangible evidence. At no time did I receive any information from him that would indicate that there was anything wrong with these programs.

I cannot believe, myself, that the assumption that has been expressed about the opening show is correct. I say that because I have known the man, I have worked with him, and this is not the kind of producer that Mr. Cowan was then or is now.

I think you should also know that there are some people in this business whose main role is creating ideas for programs, and there are others who take the idea and carry it to completion, because as there are people who write in terms of story outlines and there are others who fill in the gaps, or as there are strip artists for cartoon strips that outline the story line and an artist does the action.

Mr. Cowan's main role during the period that I have known him, and it goes back to the period starting just at World War II, when he was in OWI, has been that of an idea man, a creator. He has not been the man who has gone into the control room or into the studio and done the detail work. So you have to look at this man in terms of his role that he played in these things. This was essentially the role of the creator and the idea man.

I have no reason to question Mr. Cowan's integrity as far as the "\$64,000 Question" show is concerned when he was in charge of it.

MR. MACK. I understand.

I am sorry that Mr. Cowan cannot appear personally today.

MR. STANTON. I am, too, sir.

MR. MACK. I hope that it is possible—first of all, I hope that he recovers his health.

The staff has just called to my attention that we do have a doctor's certificate. I had been aware of that.

I wish to say first of all that I hope his health does improve.

Secondly, I hope that it is possible for him to appear before this committee at a later date to testify in answer to questions that some of us do have because of the background of the "\$64,000 Question."

MR. STANTON. I am sure the committee will receive the fullest cooperation from Mr. Cowan.

MR. MACK. But in this business, we have been surprised several times with some of the contestants, one contestant in particular. I know that your competitor or the other network, NBC, had a very high regard for Barry & Enright, the producers, and they felt that it was perfectly satisfactory to have a statement from them assuring them the show was on the level. I think it would be interesting to have Mr. Cowan appear personally and answer these questions.

I was happy to see in your statement that you did accept the responsibility for the shows which appear on CBS. Yesterday I had the feeling that the president of NBC did not feel any responsibility for shows carried over that network; that if the producer was out of line or an advertising agency, that he felt he was in the clear.

I have concluded from your statement that you have a different feeling of the obligation or the responsibility for the shows carried on the networks; is that correct?

Mr. STANTON. That is correct.

Mr. MACK. I certainly want to commend you for that, because personally I feel that the networks should be fully responsible for all of the programs carried on the networks.

I want to join the chairman in commanding you on the stand you have taken, and I know it is certainly a step in the right direction. I also know it is a very hard, uphill pull, and that you still have a long way to go to clean up this industry.

Mr. STANTON. Thank you, Mr. Mack.

The CHAIRMAN. Mr. Bennett.

Mr. BENNETT. Dr. Stanton, I wanted to ask you some questions about who controls, who does or who should control, the content of these programs.

As I understand it, you have at least three different groups of people who deal with a program before it actually gets to be a program and goes out over the air. These are the producers of the show, the sponsor who buys it from him or who takes it, and the network.

If a producer produces a show and a sponsor wants to sponsor it, and arrangements are made with you to have it programmed, do you have authority or do you exercise authority over whether it is a good type of show or whether the content is the correct content that you want to put over the air, or do you leave that largely to the producer and the sponsor?

Mr. STANTON. Mr. Bennett, that is a very broad question and goes very deep into the operations of broadcasting.

There is no question in my mind that the broadcaster has to be responsible for the final output on his air. This does not mean that the broadcaster and this certainly does not mean that the CBS television network wants to produce or make all of its own programs. When I say that we have to be responsible and we are going to decide what is seen and how it is to be seen and how it is to appear on the air, that doesn't mean that I want to produce all those programs. There are reasons why I do not.

First, I don't think that we have a corner on all creativity, and I would like the competition of ideas coming in from as many different places as we can get them. But what I want to be sure of is that they have quality and integrity. So the advertiser, the network, the station all play a role in the selection of the product.

But the final responsibility has to rest with the broadcaster. But there is selectivity all the way along the line, because the producer or the writer who gets an idea for a series, he makes many judgments in the early days before he even takes the idea to the producer, and the producer sifts and chooses among various proposals, so that control ultimately rests with the producer who puts it on. But the thing starts way, way back in the creative stages.

One sponsor may say, "I don't want to be associated with this kind of a program for the products that I have." This doesn't mean that the program isn't a very good program. It may be a very good program. It may be an ideal program, but it may not be an ideal program for his particular products.

But the program, if it is a good program, will get on the air some place in the schedule.

Mr. BENNETT. He is paying for the program, so I assume he should have something to say about whether he is going to sponsor it.

Mr. STANTON. He certainly is, and that is what I referred to when I said it is the advertiser who picks up the check.

Mr. BENNETT. But it is not clear to me, and I think it is also unclear to many other people, who should exercise final authority, if anyone, over what goes into a program that is broadcast.

I personally do not feel that bureaucrats in a Government agency ought to be controlling what goes on the airwaves in any manner, shape, or form.

But I do think that the industry that has been licensed to put these programs on the air ought to have some authority and they ought to exercise it.

Then, too, they ought to have some responsibility for putting on programs that are in the public interest, which are honestly presented, not deceptively presented, and things of that kind.

Mr. STANTON. I agree with you, Mr. Bennett. I have one other thing I would like to say in connection with the answer I gave you earlier.

That is that the broadcaster is very responsive to public response. The broadcaster is constantly thinking in terms of the people that he is serving, and thinking in terms of serving them doesn't mean that he always wants to put on the thing that is the most popular.

One of his obligations, and I think you can look at any network schedule or any broadcaster's schedule by and large and you will find evidence of this, one of his responsibilities is to expose things to the audience that they may not know about.

There may be new program forms; there may be new ideas. We are constantly looking for that kind of material.

This is part of our obligation. It is to get the best we can get to the public.

But in the final analysis it is the public, I think, that has control. But, of course, there is no single person, 7 people, 10 people, or 100 people, who represent this public in this thing as far as program control is concerned.

Most broadcasters, however, are responsive to public reaction.

Mr. BENNETT. I know you are opposed to the licensing of networks, or, at least, I assume you are. I have given that some thought, and have introduced a bill to require the licensing of networks.

Would you care to comment on whether you believe that there is any basis for thinking that if networks were licensed, they would do a better job in their programing?

Mr. STANTON. Mr. Bennett, I am not trying to duck the question.

Mr. BENNETT. Maybe that is not a fair question to ask you.

Mr. STANTON. I am not trying to duck the question, but I think in order to give you a meaningful answer, I would have to know something about what the licensing went to, or what was involved in licensing.

I think that the networks, as they are now set up, with the ownership of stations, are, in effect, for all practical purposes, licensed through the stations that the broadcasting companies or the networks own.

If licensing goes to programing practices, then I begin to worry, because I am very concerned about the invasion of the programming on

the air, just as I am concerned, and as I am sure you are, about the invasion of content in books or magazines or newspapers.

I am sure this isn't the thing you are talking about. But whenever you try to arrive at some kind of licensing, you get perilously close to this problem of censorship. You have the parallel problem, it seems to me, that if you license the network, then I think you may have to address yourselves to looking at the licensing of the other programming sources.

I am sure this would be as repugnant to you as it would be to me. But theoretically, at least, you could have a television network which did not own any stations. Then if you licensed that network, that might be akin to licensing a program syndicator, or a syndication organization, syndicated columnists, or perhaps even a press association, because press associations don't own newspapers.

In other words, you are getting into an area here that raises a lot of problems. That is why I said it depends on what the licensing points to.

Mr. BENNETT. A network which does not own any stations and is not licensed, of course, has no requirement today, as a network, to operate in the public interest; does it?

Mr. STANTON. Not as a network. Our responsibility as a network, when I wear my network hat purely, our responsibility there doesn't flow from the FCC. It flows from the corporate management that has been established by the chairman of the board, whose history and whose involvement in this business go all the way back to 1928.

He sets certain standards for what he wanted that network in the radio days to represent.

As we became owners of stations and operators of stations, this changed our relationship to the Government because then we were into the FCC through the station ownership.

Mr. BENNETT. But as far as your station ownership is concerned, you do have to operate in the public interest, the same as a non-network operator?

Mr. STANTON. Yes.

And let me say, I would not want to have anything to do with the network if we did not own stations unless we were operating in the public interest.

This would not be an attractive concept to me, to just operate without due regard to the public interest.

Mr. BENNETT. Of course, there are a lot of stations that you broadcast through that are not owned by you. In other words, you own a very small percentage of them.

Mr. STANTON. A very small percentage. We own 5 television stations out of perhaps 109 which are affiliated with us.

Mr. BENNETT. So for other purposes your responsibility is not the same, let us say, as it is in the operation of those stations.

Mr. STANTON. No, except that you can't peel them apart because the same programs that we do in the public interest for our own stations which are licensed, we furnish to our affiliates, for the most part, so what we think is adequate, acceptable, for our own stations we make available in our schedule to the network.

Mr. BENNETT. Do you feel you have authority under the law presently to refuse to put on the air any program or take off the air any

program that does not meet the standards that you feel ought to be met?

Mr. STANTON. Yes; I think we have the authority. I think we have the authority. It is not necessarily the easiest thing to exercise, because of the entanglements you get into in contracts, and so forth. Just the enunciation of the policy on quiz shows that we did 2 or 3 weeks ago—

Mr. BENNETT. I realize once you take on a contract, you have a contractual obligation, but I am speaking of the beginning.

You undoubtedly have the right to either accept or refuse to take a particular program.

Mr. STANTON. Absolutely.

Mr. BENNETT. In your contracts, do you generally reserve the right to discontinue a program, or not, or are you under a fixed obligation to continue it for a specific period of time?

Mr. STANTON. No, we have—

Mr. BENNETT. I know you paid your way out of one here, or several, probably?

Mr. STANTON. This doesn't flow to that question.

Now, we have general provisions in our contracts for general reasons of taking the program off the air. When I say general, I mean there are a number of things, but they are very specific in terms of good taste and so forth.

But when the quiz mess first came to our notice, we, in all of our subsequent contracts having to do with programs of that kind, made it perfectly clear, and went beyond the language which we had originally—the language which we had originally I think was adequate to take us out whenever we found anything wrong, but to be doubly sure and to underscore the fact that we had that responsibility, our lawyers, through Mr. Fisher, insisted on a new clause which would give us even stronger rights in the situation.

Mr. BENNETT. More and more you are having various popular types of programs put out on film. Those, of course, are produced in your studios as a rule, are they not, though many of them are not?

Mr. STANTON. Many of them are not. A very small percentage of our schedule is produced in our own studios.

Mr. BENNETT. So on those you get a film and it is run off on your projectors and put on the air that way. On those types of programs, do you exercise any content control? Do you take a look at the film before it is put on the air to see whether it is the type of thing that should go on?

Are you obligated to put it on regardless of what it is?

Mr. STANTON. We are only obligated to do one thing, and that is to be responsible to the American people. If we get a film showing what we think is not up to standards, we would not put it on the air.

Mr. BENNETT. I mean one that is sponsored?

Mr. STANTON. Yes, sir.

Mr. BENNETT. Do you have contracts that require you to put those on? Are you reserving the right to censor them at all for content or anything else?

Mr. STANTON. Our rights aren't usually talked about in terms of censorship. They are talked about in terms of standards of taste and excellence.

But if we—well, when we go into a program series on film, we generally go into them on the basis of having seen one or more samples of the series.

You may be aware and familiar with the fact that a lot of the film producers spend considerable sums for what they call pilots, pilot films. Before an advertiser, or before a network will either buy or broadcast one of those shows, or engage in a contract with a producer, to do 13, or 26 or 39, or 52 of them, he wants to see a sample of the series.

There are some exceptions to that, because there are some men in this industry as producers and writers who have such well-known records of excellence that if they come to you and say they have an idea for a new series and the idea appeals to you as they outline it, you may say "Go right to it," without seeing a pilot.

But even though they do go right to it and they produce 13 or 26, when they come in if they don't meet the standards then we have the right to exercise the right of not putting them on.

Mr. BENNETT. What are those standards?

Mr. STANTON. Generally the standards of acceptability in terms of taste and writing and content. It is not a thing that you can write down to the last decimal point, because taste is a difficult thing to define.

But we think in terms of the broad audiences we are serving and say, "Is this the kind of product that we think would be of a standard that would satisfy the public?"

This is changing all the time. The excellence of some programs today goes way beyond anything that we knew or thought of in 1948, when television was just getting underway.

Mr. BENNETT. What kind of a policy do you have in respect to balancing out various types of programs? I remember one time several years ago when you appeared before the committee, you and I discussed some of these western type things. I expressed the opinion that many of them were bunk, and you said what may be bunk to me may be a very enjoyable program to somebody else. I agree that is probably true.

Do you realize there is a lot of public feeling, at least from what I have heard, expressed very often, and from a lot of different places, that there are too many film type murder mysteries, soapbox things and westerns, put on the air to be in the public interest, and the public has nothing to do but to look at them or not look at television?

Mr. Stanton. May I answer that question, or try to, Mr. Bennett.

Mr. BENNETT. Yes.

Mr. STANTON. Balance is another question like taste. It is changing constantly.

We don't try to set up rigid rules for balance.

Mr. BENNETT. I just want to ask you one or two other questions.

A thing that surprised me, because I did not know it was going on, is this thing that Hess discussed, about buying time on a regularly established program sponsored by somebody else, getting in that program by paying a fee to a public relations person who, in some way or another, made it possible for him or his firm to get a plug, so to speak, or to be mentioned on the program.

Are you aware of that practice? Is that recognized as far as your network is concerned?

Can you tell us something about it?

Mr. STANTON. This is a miserable situation, and it is deplorable.

But we have to recognize that the exchange between the committee and the witness yesterday, I think, covered a number of different aspects of this kind of thing.

I don't have any objections to a program mentioning somebody or some situation, but I would object very strenuously if a producer or an employee got paid for slipping it into the program.

If it is done openly and aboveboard, I think it is perfectly legitimate, and I can give you many examples where we would be hamstrung if we could not mention real situations.

So you have to have that kind of freedom in programing.

The thing that is deplorable is that somebody slipped something to somebody else, to slip it into the program. This is the thing that probably exists to a certain extent in the industry and it is very, very difficult to police. Even in the example that was given with the young man from Allentown, on "\$64,000 Question," if you and I had listened to that the night it went on first, and we knew nothing about the background of the case, neither of us would have objected to the fact that the participant identified himself with the company for which he worked and the city wherein he lived. So I could not have caught it.

Mr. BENNETT. But if we knew he had paid \$10,000 to get that plug over, pay somebody who was a producer or somebody else, we would look at it in a different way.

Mr. STANTON. I would have been outraged.

Mr. BENNETT. Then, if there is a payment of money involved, it ought to be handled as an advertiser would handle it.

Mr. STANTON. I think the advertiser who is paying for the time, the broadcaster making his facilities available—and just because the advertiser sponsors a program doesn't mean that he defrays the costs on the program.

There are many programs where the broadcaster feels that because they have a certain degree of excellence, he will help underwrite the program, so that the advertiser isn't always paying the full load.

If somebody is passing money on that kind of a program, and the broadcaster was picking up part of the costs, it is still another reason.

But it goes back to the basic reason that this is a dishonest practice.

Mr. BENNETT. I would think it would be dishonest. I was wondering what could be done about it. If you put on something, for example, as Mr. Hess' case, where he appears on the program, and the announcer says, "This is Mr. Hess. He is from Allentown, and he has a wonderful new department store down there. If you ever go by there, stop in and see it," well, the public knew that Mr. Hess paid \$10,000 to have somebody say that, they would look at it in a different way than they would if they regarded it as merely a friendly plug for the man.

Mr. STANTON. Yes, but I would like to say that I do not quarrel with the idea that personalities and institutions retain agents, public relations people, to try to get as much public attention as possible.

The place where I draw the line is the passing of the money from the act or from the personality to the person who writes the column or does the show or plans the display window, or whatever that might be.

MR. BENNETT. We do not have any proof of this but presumably the public relations agent is paying somebody to have this announcement made. Is that a fair assumption?

MR. STANTON. No, it is not a fair assumption, Mr. Bennett. No, because I believe that there are many public relations people who will accept a fee from a man who wants his name given some attention, and it isn't always a name—I think that is looking at the hole in the doughnut instead of the doughnut.

I think it many times is a product or it is an effort that the man is making in some area. If that endeavor is to be publicized, he has to have some professional help in getting that thing publicized.

I see nothing wrong with that man saying to another man over here, "Here is what I want to create by way of publicity about my produce or about my person," and paying him a fee to do as much as he can do to get it.

But as soon as that man passes money to get that, to the person who does it for him, then I think this raises a whole different set of questions.

It is at that point where I would say we should find some way to stop it.

MR. BENNETT. It should not be deceptively handled in any case.

MR. STANTON. Absolutely not.

MR. BENNETT. We also have evidence that Mr. Hess paid money to an agency to get mentioned on "Person to Person." Are you aware of that?

MR. STANTON. I was not aware of it. Believe me, as soon as I get back to New York, I will look into it. I am puzzled by the statement, because I don't see how it could happen on that—

MR. BENNETT. I do not say it did.

Would you look into that matter not only in terms of this one program, but your other programs, and write the subcommittee concerning what you find about it.

If this kind of a thing is deceptively handled, as it appears to me that it is, then something ought to be done about it, in my opinion.

MR. STANTON. I will, sir.

(In a letter dated January 5, 1960, Mr. Stanton wrote Chairman Harris as follows:)

During the course of my testimony before your committee on November 6, 1959, I was asked to furnish certain additional information which I agreed to do.

At page 1093 of the transcript, Mr. Bennett stated that the committee had evidence that Mr. Hess paid money to an agency to get mentioned on the program "Person to Person," and he asked me to look into this matter and report to the committee what I had found. I spoke to the producers of this program, who advised me that immediately following the testimony before the committee concerning the Hess mention, they checked to determine on which program in the "Person to Person" series the mention had been made. They found that the mention had been made by Cleveland Amory, one of the two persons interviewed on the program of April 17, 1959. They also advised that in response to inquiry by them, Mr. Amory stated he had received \$500 from a Mr. Digrandi for the mention. The producers stated to me that they had not known of this incident, which was directly between Mr. Amory and Mr. Digrandi, and that they in no way participated in it. The mention on the program was as follows:

"This (chess) set came from Mr. Max Hess and is a rather remarkable Chinese set with the interior ball carvings."

Mr. Bennett also asked if I would look into the payola matter with respect to our other programs and advise the committee what I had found. We have been checking into this matter for some time and currently are compiling the answers

to thousands of questionnaires sent to our employees and to independent contractors engaged by us to furnish programs in connection with the FCC letter of inquiry of December 2, 1959. At the present time we have not completed our investigation. Upon the completion of our investigation and our compilation of the results, I shall be pleased to advise you of our conclusions. * * *

Mr. ROGERS. Dr. Stanton, I will talk fast and try to ask questions that can be answered "Yes" or "No" in the interest of time.

First, let me say that I want to compliment you on the aggressive move that you took when these revelations came out. I think it was very good, and I think it will have some good results.

I look upon the networks somewhat in the same light that I did Mr. Van Doren.

Of course, Mr. Van Doren, when he finally got caught, and he was completely boxed in, he realized there was but one out, and that was to tell the truth, and he did tell the truth, and I think the whole truth.

The information from the networks is that they did not know about this, and I have always looked upon you as an honorable man and I still do, and I am willing to take your word that you did not have any information about it.

I think that is the difference between the networks and Mr. Van Doren.

However, I think the problem that we have here is somewhat akin to the test that I am sure you are familiar with, in the law, that it is not the question of actual knowledge that underwrites liability, but it is the situation that develops when a man knew, or by the exercise of reasonable diligence should have known, what was going on.

I think you made a good presentation, without alibis, as to the fact that if you had exercised reasonable diligence you would have known and should have known.

I hope that your approach to it will solve it in the future so that it will not recur.

Let me ask you this question:

Of course, I think in all of your statements you admitted that this was fraudulent, it was deceitful, and certainly a reprehensible practice.

Mr. STANTON. That is correct.

Mr. ROGERS. Dr. Stanton, do you think that in view of what has transpired in the past in these practices that the mere passage of a penalty law dealing only with quiz shows would solve the problem?

Mr. STANTON. By no means.

I think it would be helpful, but the responsibility and the diligence has to be applied by the individual broadcaster.

I could go on, but I don't want to prolong the answer, sir.

Mr. ROGERS. It would be similar to treating smallpox as a skin disease, would it not?

Mr. STANTON. It would.

Mr. ROGERS. I mean, this goes a lot deeper than what just appears on the surface.

Mr. STANTON. Yes. That is the reason I broadened our whole re-examination of what we were going to do in the future here, and did not confine our reaction just to the quiz programs.

Mr. ROGERS. Doctor, do you maintain, as a network, a rather good liaison with the Federal Communications Commission?

Mr. STANTON. I like to think so, because I am involved in that liaison.

Mr. ROGERS. I mean, you do consult with the Federal Communications Commission from time to time, and frequently, about what is happening on the airways, do you not?

Mr. STANTON. We do our best to keep the FCC informed of our policies and our practices, and the changing events that we face in broadcasting, yes.

Mr. ROGERS. And you appreciate, as you have testified here, and as you testified in the pay TV hearings, that you recognize the fact that these airwaves are public property?

Mr. STANTON. There is no question about that, Mr. Rogers.

Mr. ROGERS. And the fraud that was perpetrated was perpetrated on the American people by the use of their own property without paying them one nickel for the use of that property, was it not, Dr. Stanton?

Mr. STANTON. Yes.

I am still a little confused by the public reaction to the programming, but I don't want to quarrel with that, or quibble about it.

Mr. ROGERS. Do you agree with the Chairman of the Federal Communications Commission, Mr. Doerfer, when he says:

I don't think there is much wrong with TV. It is an infant industry and it is going through growing pains, the same as the printing media had to do over a period of years. It is a stage.

Mr. STANTON. I have said much the same thing myself. This is a medium that has grown tremendously and explosively in 10 or 12 years. All the other art forms have had generations and generations to work out their practices and develop their policies.

We exploded into existence. We did it in front of 100 million people.

If you go back to the history of print and to the history of the theater and to the history of music, these things evolve slowly over the ages.

I wish we had the traditions that the free press has in this country today, but they fought for that over many years. They did not have all the answers in the first 10 years of their life.

If the printing had been developed today just as television was just developed, I think we would be asking a lot of questions about the practices of the printed media.

I am not pointing a finger at them at all, but I am simply saying I think this is the condition in which we find ourselves.

We have a lot of catching up to do today.

Mr. ROGERS. But do you not think if what has been revealed here is an example of growing pains, your industry will look like a corkscrew when it gets full grown?

Mr. STANTON. I wouldn't deny that we are not having growing pains, but even if the free press had its periods when it was accused of the same kinds of things that we are being accused of today—

Mr. ROGERS. And free press had no regulatory situation that was supposed to be policing it, either, did it, Doctor?

Mr. STANTON. No, and I am glad it didn't, in looking at it over the long haul.

Mr. ROGERS. And the free press was not using public property as an avenue to move over to carry the information from one place to the other, was it, Doctor?

MR. STANTON. Well, Mr. Rogers, this raises some interesting questions about mailing privileges, and so forth, but I think if we want to condense this discussion we ought not to get into that.

MR. ROGERS. That is right. I am sure we will get into it, because I think it is important. We will not go into it now, however.

The point is simply this, Doctor: That I have some information in my hands indicating that the Federal Communications Commission knew, or had reason to know, that there were some charges, serious charges, about skulduggery afoot in the "Big Payoff," as far back as 1952. Yet nothing has ever been done about it, about moving in and trying to investigate it.

There has been nothing done about telling the Congress that this is something that ought to be looked into.

So far as we have evidence here before this committee, the Federal Communications Commission and the Federal Trade Commission have not consulted with anybody that has appeared before this committee.

You are the first man that has said that you had some sort of liaison between the Federal Communications Commission and CBS, or your office.

MR. STANTON. Mr. Rogers, I want to be sure that I didn't misunderstand your question about liaison with the FCC. This is not a formal day-to-day contact, or anything like that. But it has always been the practice of the Columbia Broadcasting System, whenever we were making policy changes, to make sure that the FCC knew about them, not in the way of going to them for permission, but we keep them informed.

I think that this is just due diligence on the part of management, to make sure that the regulatory agency understands your problems.

This doesn't mean anything about influence.

MR. ROGERS. That is right. Do not misunderstand me.

I was not indicating that there was any influence. My point is simply this: That you are in the business, the other people are in the business, and the FCC and FTC are charged with policing the activities insofar as regulating these industries are concerned.

Nobody abhors undue regulatory regimentation more than I do, but there are certain things that have to be done to prevent abuses, which are pointed out and proved, I think perfectly, by these hearings.

If you turn these things loose, there is no telling what would happen to the American people.

MR. STANTON. I think this is a built-in shortcoming of democracy, where you have to have certain abuses unless you are going to have tight regimentation.

I am certain that is not what you want, or what I want.

Occasionally we are going to have mistakes made in broadcasting. We had one I can point to back in 1938, where we did a "War of the Worlds" broadcast on Halloween with Orson Welles, and we scared a lot of people because it was a simulated news broadcast. We had that experience and that was the last simulated news broadcast that was ever on the Columbia Broadcasting System facilities.

We saw what the problem was. It was a new experience.

As soon as it happened, we took steps to correct it.

So I think even the quiz things, once it has been ventilated, free broadcasters are going to make very, very certain that this thing doesn't happen again.

Mr. ROGERS. And this is no different from anyone else.

In a democratic scheme of things, laws usually find their source in abuses, do they not?

Mr. STANTON. That is correct.

Mr. ROGERS. And certainly we had the abuses here in this industry. Do you not think some legislation in order to keep that thing shaped up so that we will not have a repetition of it—

Mr. STANTON. I think we should take every precaution we can to make sure that there isn't repetition.

But I would include in that, charging the broadcaster with responsibility to make certain that it doesn't happen again. I think that is where the responsibility belongs.

I do not think a "czar" will do it; I don't think an FCC will necessarily do it.

Mr. ROGERS. Do you not think it would rather be a silly thing, Doctor, to simply pass a law saying it is a violation of the law to murder a man, but not put a penalty on it, or some sort of control on it?

We have had an example of what happens. The networks controlled these programs. The broadcasting stations did not have anything to do with them, did they? They buy the package from you and you tell them what goes in it, do you not?

Mr. STANTON. Well, it isn't quite accurate to say that they didn't have anything to do with it, because they did broadcast the programs.

I am not pointing my finger at them. I am saying that they had an opportunity, just as we had, and we are in the same boat.

None of the programs that were on our network in the quiz area were produced by us. They were produced by outsiders. This is one of the reasons we weren't privy to the hanky-panky that was going on in the small group operating the programs.

Mr. ROGERS. And a broadcasting station in Texas, or California, did not have a choice in this, or a say in it at all. They bought a package from you, as part of your network.

Mr. STANTON. They looked to us to be responsible.

Mr. ROGERS. You even fixed the time that it went on, did you not, Doctor, or got the right to fix the time?

Mr. STANTON. Pretty much so, yes, sir.

Mr. ROGERS. That is all, Mr. Chairman.

Thank you.

The CHAIRMAN. Mr. Flynt.

Mr. FLYNT. Doctor Stanton, I, too, share the thoughts of my colleagues on the committee concerning the forthrightness of your statement.

I was particularly glad to see your reference to the public statement that you made on October 16, with this part of it, in which you announced that you were taking a fresh, hard look at your basic operational theories and practices as they affect the whole pattern of everything that appears on the CBS television network, "and I mean everything." I believe that is from what you said.

I think that approach to this is a very healthy approach. I am sure that you realize, as president of the Columbia Broadcasting System,

the tremendous responsibilities that rest upon you for the programs, including program content, that go out to the American people, just as we on this committee realize our responsibility to inquire and to inquire deeply, with every soul-searching problem that we can make, not to expose for the sake of exposure, but to correct abuses which have taken place wherever they have been.

Mr. STANTON. We both have those responsibilities, and I think both of us are doing our best to discharge them.

Mr. FLYNT. And in the comments, the questions that I ask, and in the comments that you may make pursuant to questions, I want to emphasize this; that it is not our purpose to place the finger of blame, to point, at the networks alone, at the sponsors alone, at the commissions alone, the producers alone, or the contestants, but to give, in a panoramic view, the entire picture of this whole sordid story that we have had unraveled here this week and during a similar period early in October.

We want to solicit your fullest cooperation toward the end that this will be corrected and never occur again, not only in the field of quiz shows, in which these fraudulent and deceitful practices have been pointed up more than others, but in every phase of the television industry and broadcasting industry.

It is highly possible that what has been revealed in connection with this type of program may have occurred in other phases of the broadcast industry, perhaps to a greater, and perhaps to a lesser extent.

In this connection—and I am glad you mentioned the simulated news broadcast that scared America to death back in the late 1930's. Along that line, I wonder if you think it is proper for a broadcast station, whether it is radio or television, to utilize publicly owned air-waves for the purpose of expressing the personal or private points of view of the licensee on any issue to the general public.

Mr. STANTON. I think it is entirely proper, with this proviso: And that is that he give ample opportunity for a balanced presentation or for the right of the objector or the other side to be heard.

Mr. FLYNT. Do you think that under the means of the broadcasting facilities available that the editorial comment put out on a radio or a television broadcast can be done without making it appear as a simulated newscast?

Mr. STANTON. Yes, sir; and it has to be done that way if it is to be done properly.

Mr. FLYNT. I wish you would comment on that a little bit. You cannot just put it on an editorial page—but go ahead and expand on it.

Mr. STANTON. You put your finger on one of the problems that goes to the whole reexamination of our program policies, because we run the gamut from hard news to the sheerest hokum in the entertainment area.

This is the very nature of the business. You can no more put an editorial in a news program, in my opinion, than you can put a news program in a variety show.

I don't think you can mix those things. I think you have to separate them, and I think they have to be labeled for what they are.

So I would not put an editorial within a news broadcast. I would put it adjacent to it, for this reason—and that is, the people that you

want to reach with an editorial generally are the people who want to tune in for news.

So I would put them perhaps side by side. But I would have a clear line of demarcation. I would not even have the newsman give the editorial, because I don't want his personality to flow over and to be read against the editorial position that he takes.

I want clear labeling. I think this is a responsibility the broadcaster has.

Mr. FLYNT. Not only to make the editorial comments, but to be certain that it is labeled as such.

Mr. STANTON. As such; yes, sir.

Mr. FLYNT. So that there can be no mistaking on the part of whoever may be viewing it or listening to it.

Mr. STANTON. That is correct.

Mr. FLYNT. There has been a great deal said this morning and at other times, too, about the abhorrence we would have for a rigid censorship by government or by anyone else.

One of my colleagues on our full committee, who is not on the sub-committee, called to my attention a series of programs which, incidentally, appear over the Columbia Broadcasting System, in which he is in the process of questioning a kinescope reproduction of three consecutive programs on 3 consecutive weeks, in which there appears to be, according to his interpretation of it, an attempt to editorialize on a highly controversial issue through means of a well-known network presentation. I will get the additional details from him and will supply them to your company, perhaps through you.

Mr. STANTON. I wish you would get them directly to me.

Mr. FLYNT. It will be done, and it will be done promptly, as a part of this overall picture that we are trying to explore here.

The purpose of this entire hearing, as I see it—and as I view it—is to determine whether everybody, including the networks, including the licensees, including the commissions, are realizing the importance of protecting the public interest, and in this particular interest safeguarding that which the American viewing public and listening public sees and hears.

Yesterday, Mr. Moss was commenting on one of the columns written by John Crosby, in which he seriously questioned not only the advisability but the propriety of having 34 western-type presentations on the scarce evening hours of the networks. He expressed the belief that that was entirely too many westerns.

A great many of us for a long time have had serious concern about the overemphasis which we feel may be placed on scenes and incidents involving violence of one kind or another. I wonder if that is one of the things that you intend to search into in connection with your fresh and hard look at basic operations and theories of practice.

Mr. STANTON. It is, but the problem we are constantly faced with is the question that Mr. Bennett asked before, which reads against this same question you are talking about—and that is, this question of balance.

Today westerns are popular. Tomorrow it may be something else. Just because one is popular does not mean that we have to have as many as Mr. Crosby cites, but I am not even sure that Mr. Crosby's figures are correct.

I think that you would have to look pretty far to find that number, but maybe he is correct. I can only talk about my own schedule.

As my father used to say, "One horseshoe is good luck, but a whole carload is junk."

You can have excellent westerns; you can have some mediocre, and you can have some that are pretty poor. But in the creative field, you start a trend. Now it is a trend in westerns. It may be a trend in something else next year.

I don't know any way to legislate that, but I think the thing we have to do is to be sensitive to the problem of keeping a reasonable balance—a rule of reason in the situation—and make sure that what we do have has a degree of excellence.

Let me give you an example.

I think if you look down the road far enough, that more of the nighttime schedule is going to be given to programs in the news and public affairs area. I think just as sure as you and I are sitting here that this is going to happen. But we have to go through this phase, I think, that we are going through now in order to reach that objective. We have started down that road to a certain extent, because we have taken this year one important nighttime hour each month for a very important and serious problem.

Last week we had a program called the "Biography of a Missile," which we took the missile from the time it was a group of components until the time it went off the launching pad.

I think, if the public understands the difference between the missile and space problem—and they are two entirely different problems—this is a contribution to democracy.

Next month we will do one in the same series, "CBS Reports," called "The Population Explosion." We are talking about the problems of population as it affects a country like India, which is bound to have an effect on our position in the world scheme of things.

Next year I hope we will have one every other week. The year following, I hope we can have one every week. But if you said to me today to do one every week, we couldn't do it—not because we have not developed the skills by which we can do it. You cannot find these producers and writers on every street corner. They are scarce to come by.

Mr. FLYNT. Along a little different line, and I am, of course, very sorry that Mr. Cowan is hospitalized. I wish he could have been here—I express the hope that he may have a rapid and complete recovery—but one article appeared in this morning's paper in which the mother of one of the participants on the old "Quiz Kids" program is quoted as saying:

While I don't think the "Quiz Kids" shows were rigged, but the producers knew pretty well what Joel knew, and the questions were picked sometimes so that he would have the first hand up. You remember there were five kids competing and the first one to respond was called on by the quiz master. The producers asked us for a list of the books from time to time that Joel was reading; how far he had gone in them; what new interest he had developed; and it is possible that some of the questions were designed to take advantage of this knowledge.

That points up the question which has raised itself so many times during these hearings: Are there such things as legitimate controls on a so-called contest of skill and knowledge?

I wonder if you would give me an answer to that in your own way?

Mr. STANTON. This gets into the area of semantics, because I think the word "control" is a dirty word when read against one situation, and I think it is a good word or a clean word when read against another situation.

Let me say that I believe that if you say to me that you are selecting someone because he has knowledge in a narrow field, and then you are going to ask him a series of questions, that that is perfectly legitimate, because you are showing him off as an expert in Italian opera, in baseball, whatever it might be. But if you so control him, or if you so select him so that you know beforehand that he can answer the precise question, or if you, through control, virtually give him the question, that is obviously the dirty application of the word "control."

I don't know how to define it sharply, but that is the way I see it. Control isn't bad, but control with abuse is bad.

Mr. FLYNT. Would you agree that control is always bad when one contestant is given an advantage, a preplanned advantage, over another contestant?

Mr. STANTON. Absolutely; certainly.

Mr. FLYNT. Regardless of the extent to which it is done?

Mr. STANTON. Certainly. But if you are selecting bright youngsters for a program, I think you have to be sure that they are bright youngsters. You just can't go out and take any group of kids and put them on a show. You will have an interesting show, but you wouldn't necessarily have bright youngsters.

Mr. FLYNT. I would not quarrel on that.

In this connection, this "Quiz Kids" program, which was very popular—and I remember it during the early 1940's, though it may have been produced before that and after that. I believe it was produced by your associate, Mr. Cowan; one of this programs.

Mr. STANTON. It was.

Mr. FLYNT. I wonder if even at that early date, 16 and 17 years ago, controls were being used. Perhaps it was a normal process of evolution for it to go into this type of program—I do not mean this particular one or any that Mr. Cowan might have been associated with—but if controls have been historically used where one contestant is given an unfair advantage over another, would it not be a normal process of evolving from one step to another so that eventually this thing would burst out in the open as it has—as the sorry and sordid fraud and deceitful practice it has developed into?

Mr. STANTON. I think just as sure as we are sitting here that that would happen. But I don't think that in the "Quiz Kids" days—and I talked with Lou about this—that controls were exercised to give one youngster an unfair advantage over another one. I think the only controls used were to be sure that they had youngsters of a certain degree of excellence in various subject matters.

Mr. FLYNT. I think you referred in your prepared statement to a specific date—it was August 8, 1958—when you said you first had knowledge of fraud and deception being practiced on a program carried on your network?

Mr. STANTON. Yes, sir.

Mr. FLYNT. What program was that?

Mr. STANTON. "Dotto."

Mr. FLYNT. What instructions did you give to your general attorney or anyone else on the staff of CBS to make an investigation of it?

First of all, whom did you tell to investigate it?

Mr. STANTON. Before I had even an opportunity to give any instructions, Mr. Cowan had already acted. Mr. Fisher called me about 10:30 at night at home to acquaint me with the events of the day; but before he called me to fill me in on what had happened, Mr. Cowan, as operating head of the division, had already instructed him to start an investigation and to move immediately if he found anything that was improper.

When that information was given to us on that Friday, this was still in the realm of charge—it was not in the area of proven evidence—so we moved immediately, and by the following Saturday that program was off the air and we started the next Monday with a new series.

Mr. FLYNT. Just in order to complete the record so we may make a comparative analysis of this report with another report which I requested yesterday, will you ascertain if a written report is in your files on this particular incident and supply it to the subcommittee?

Mr. STANTON. I will, sir.

Mr. FLYNT. Thank you, sir.

Thank you, Mr. Chairman.

(Pertinent reports follow:)

OFFICE COMMUNICATION

CBS TELEVISION NETWORK,

August 11, 1958.

Re "Dotto."

To : The files.

From : Mr. Fisher.

Thursday afternoon, August 7, Eddie Hilgemeier called at the advertising department of Colgate at the Colgate offices. He left with them a copy of a purported affidavit, copy of which is attached. The gist of his conversation was that he thought that Colgate would be interested in this matter (and he intimated that he would like in the neighborhood of \$2,500 so as to equalize his total payments with those of the loser as set forth herein below). Colgate people called Ted Bates, its agency, Friday morning and gave them a copy of Hilgemeier's affidavit. Around noon, Friday, Dick Pinkham of Ted Bates called Ed Friendly and briefly outlined the contents of the affidavit. Friendly called my office, and upon my return from lunch, around 1:30 p.m., I called Friendly who relayed the message to me. I immediately called Dick Pinkham of Ted Bates and said I was calling to find out what had occurred. He stated that at that moment the Ted Bates people were meeting with Frank Cooper and representatives from his company and that I might come over. I went to the agency where I talked with Messrs. Pinkham, Harry Saz, and Michael Frothingham (the latter being house counsel for Ted Bates). After briefly going over the affidavit, copy of which Ted Bates furnished me, I met with Jim Douglass, head of radio-TV for the agency. In the presence of Messrs. Saz, Frothingham, and a public relations representative of the agency (whose name I did not get), I told Mr. Douglass that CBS viewed the allegations in a most serious light and that if we were convinced that "Dotto" was not being played honestly, we would yank the show immediately. Ted Bates' people said that the Frank Cooper people were trying to contact Miss Marie Winn, who allegedly had received the answers to the contest, as well as the producer and associate producer of the show—Jurist & Henley—and that they hoped to get back to the agency later that day, over the weekend, or the first of next week. I told Mr. Douglass that I would not be

satisfied with the efforts being made unless we could get some answers by Saturday evening. Mr. Douglass said that the agency was as anxious to get to the bottom of the matter as we and that they would do everything they could to speed up a meeting with the named people.

I returned to the office and advised Mr. Cowan of what had transpired. He called Mr. Douglass to emphasize the extreme seriousness of the matter to us. He suggested that at the questioning CBS be represented. This was agreeable with Mr. Douglass.

I then went to the Rosenman office and talked to Ralph Colin. While I was there Mr. Frothingham called to state that a meeting had been set up at the Frank Cooper Associate office at 6:30 p.m., at which Jurist would be present (he, driving in from the island), and Miss Winn would appear.

At 6:30 p.m. Mr. Colin and I went to the Frank Cooper office where we met Messrs. Frank Cooper, Sy Fischer, Ed Jurist, Jerry Shurr (director of the program), and Walter Schier, attorney for Frank Cooper Associates. Around 7:30 p.m. Miss Winn appeared and was interviewed by Mr. Frothingham and me with Mr. Schier present.

That meeting broke up around 10:30 p.m.

Monday morning I called Mr. Frothingham to state that I wished to go to the studio where the "Dotto" show is produced; that I wanted to see the kines for May 19, 20, and 21; that I thought we should talk to Henley following the show; that I wanted to see the rundown sheets, the background interview cards, and the cards on which the questions and answers appear. Mr. Frothingham called back within minutes to state that Mr. Jackson of their shop would meet me at the studio at 11 a.m. and that the kines would be ready for viewing at 3 p.m., Monday afternoon.

I went to the studio at 11 a.m. and was shown the setup of the premises as well as the main dressing room where the Frank Cooper Associates' staff assembled and in which were located the rundown sheets, a duplicate set of the cards on which the questions and answers appear, and copies of the contestants' background interview cards. On the floor above was a long, narrow room in which the contestants are sent prior to the show. There is another room on this floor in which Mr. Shurr and one of the contestants were talking when we looked in and, according to Mr. Shurr, whom I spoke to later, where Mr. Henley, who was not on duty today, normally goes over the background interview with the contestants so as to warm them up prior to appearing on camera.

Just prior to air time the contestants and standby contestants are brought down on stage behind the scenery and are seated together to await their call.

With a representative of the agency I viewed the show from the control room. Messrs. Cooper and Shurr were also present in the control room. Mr. Jurist stood in front of the stage between the camera and audience observing the progress of the show. (At 3 p.m., Monday, I went to Ted Bates agency and saw the kines.)

(Miss _____ was also present in our interview with Miss Winn.)

Miss Winn is an attractive young lady who attends Columbia College (?). She is of Czechoslovakian (?) nationality and has a slight accent. She professed not to know what the meeting was all about and after Mr. Frothingham briefly stated the allegations in the Hilgemeier affidavit, she said she considered this an affront to her, that the allegations were not true. She was shown the page from her notebook and she identified the writing as her own and the page as having come from the notebook. (It had been torn from the book in that one of the sides was jagged.) She said that she has a poor memory and that after the show she wrote down what appeared on the paper because she has a sister in Philadelphia who does not have a television set and she wanted to write her and describe the show to her. (Attached is a typewritten copy of what appeared on the page from her notebook.) She could not explain why she had written the names "Bing Crosby" or "Dagwood _____ Mr. D'thers." She was quite vague about the significance of the entries below the line on the page but she said some of them were answers given to the questions. When asked whether she had talked to anyone connected with Frank Cooper Associates or with Mr. Schier about the matter, she said "No." She was asked whether any newspaper reporter had been in touch with her, and particularly within the past few days, concerning this matter. She said "No." When asked when she first realized the page from her notebook was missing she said she did not know it until just now. When asked about writing her sister to tell her about the show, she said she had not written because her sister had called her that evening.

She kept her composure throughout the interview but at times hesitated several seconds before answering questions and on several occasions mentioned that she felt she was being imposed upon and that she had no obligation to come in. Around 8 p.m. she mentioned that she had to catch the 8:35 p.m. train to Brewster. The interview lasted until 8:15 p.m. She stated that she had not felt well on May 21 and her doctor advised her not to go on the show that day and that was why she did not appear on the 21st.

Frank Cooper people had previously advised Ted Bates that she had told them someone representing himself to be a reporter had called her on Thursday inquiring about this matter. Jurist stated later that evening that one of his people had been in touch with her shortly after Hilgemeier had made his complaint to Jurist on May 20 and at that time she stated that she had written the answers down after the show was over. It is clear, therefore, that in certain respects she lied to us—to wit, when she said she had not talked to anyone connected with Cooper Associates prior to Friday evening about the matter; when she said that she did not know the page was missing from her notebook until Friday night; and when she said that she had not received a call from a purported newspaperman concerning the matter.

It is my conclusion based on the attitude of Miss Winn, the known untruths in her statements to us Friday night, plus the pointlessness of her need, as she states, of writing down answers after the show was over, coupled with the writing of names not appearing on the May 20 show (appearing May 21?) that Miss Winn was fed the information prior to the time she went on camera.

The problem then resolves down to: (a) Who fed her the information, and (b) whether it was an aberration or in the regular course of the program production. Pertinent to these crucial questions is the following information. Frank Cooper people deny any knowledge of how she came by the information and, of course, deny that the feeding of information to a contestant is part of the program production of "Dotto." Mr. Schier, attorney for Frank Cooper Associates, states that when this matter was brought to his attention and considering the fact that Hilgemeier had produced a page from her notebook that he had to agree it was possible she had been fed the information by someone and accordingly he recommended payment to the loser. Thus it was that \$4,000 was paid to the loser. Because they decided to hush up the matter (it appears that they did not bring the situation to Colgate's attention because of earlier difficulties with Colgate), they paid off Hilgemeier \$1,500. Schier recognized that Hilgemeier had no cause of action in that his was a blackmail threat.

Jurist, the producer, stated that when Hilgemeier appeared at the "Dotto" office on May 20 and showed him the page from Miss Winn's notebook, he told Hilgemeier that he had no idea how she received the information and that when one of his people called Miss Winn she told him, as noted above, that she had written the information down after the program. Jurist stated that he had called his staff together to tell them that there had been a leak and that they would have to be more careful about the distribution of the rundown sheets.

THOMAS K. FISHER.

OFFICE COMMUNICATION

CBS TELEVISION NETWORK.

August 14, 1958.

Re "Dotto."

To : The files.

From : Mr. Fisher.

On Tuesday, August 12, I again went to the studio, primarily to interview Henley. I met him after the show and, together with Frank Cooper and Frothingham, talked to him. He denied any knowledge of how any information was given to Miss Winn. He stated that he interviews the contestants just before air time and discusses with them the background material that will be used by the M.C. on the program preliminary to the playing of the game. He said he did have with him the cards on which this information had been typed. His primary responsibility, he said, was to select contestants and go through the "warmup" interview with them above referred to. He remembered selecting Hilgemeier who had been a member of the audience and who had submitted a card in which he listed his occupation as butler or valet and that he was only 21 or 22 years old.

He stated that he had the rundown sheets with him but that he did not have the questions and answers at the interviews prior to air time.

When asked whether a staff meeting had been called by Jurist shortly after the May 20 program on which Miss Winn appeared, he indicated that there was none, or that he could not recall any such meeting. At this point Frank Cooper interrupted to say that he thought that I should ask Ed Jurist that question. I said that I had already asked Ed Jurist that question last Friday night and that I wanted an answer from Henley. Before proceeding further, there was an interruption and Henley was called to the front of the orchestra. When he came back he said he had had to interview one of the members of the audience he had asked to stay after the show as a possible contestant. Jurist joined us upon Henley's return.

I asked Jurist precisely what tightening up in security had been instituted after the May 20 incident. He said that they had cut down the number of people receiving the rundown list. (Attached to the rundown lists are the several clues to the faces to be played on the day's program.) I asked what people no longer received the rundown list who had previously received it. He was vague in his response and stated that Monday of this week he had issued a memo cutting down the list still further and that at the present time only four people were receiving the rundown list. He said that only two sets of the cards on which the questions and answers appear had been prepared during the course of the show. I asked whether carbon copies of the questions and answers were kept elsewhere and he said they may keep them at the office.

I asked Jurist whether it wasn't true that following the initial visit of Hilgemeier to their office on the afternoon of May 20, someone on his staff had called Miss Winn and had suggested that she not appear the next day. I said it seemed to me to be a natural thing to do in that the question had been raised about her being furnished information. He answered, "Yes, that is right." (Note that this answer contradicts what he told us Friday night at which time he said that she had called in to state that her doctor had advised her not to go on the next day because of her illness.)

Jerry Shurr joined us during the conversation and his attitude was much more belligerent than it had been Friday night. At one point he became rather incensed over the inferences in my questioning which were to the effect, he said, that I was accusing someone on the staff of leaking the information to Miss Winn. I asked him how he could explain how she might have received information concerning the questions and answers. He said there were a thousand ways. I said for him to name two or three. He said maybe when she was at the office she had seen some papers lying around on the desk on which the questions and answers were given; that maybe one of the many studio hands (he deferentially noted that the agency had numerous representatives at the show) had seen the questions and answers on the rundown sheet in the staff dressing room, and had given her the information.

Mr. Forsling kept notes of the interview we had with Hilgemeier at the office of Walter Reynolds, general counsel of Colgate-Palmolive on August 13, 4:30-6:30 p.m., at which Messrs. Colin and Frothingham were also present, together with Mr. Kessler, a private investigator Colgate has retained. Hilgemeier's statement concerning the incident fairly well tracked his affidavit. In one respect there was a slight change. Due to the relatively brief time during which Miss Winn wrote in her notebook, he said he didn't think she had written all the entries at that time but must have had some of them written down previously. He said that the entries below the line across the page were written in a hurried, scribbling manner, as distinguished from the writing above the line.

He also stated in answer to what he meant by the close fraternization of Miss Winn with the studio staff, that everyone seemed to know her and that a woman came in through the stage door entrance, asked for Miss Winn and drew her over behind the props away from the others and, with her arm around her shoulder, talked to her for a while. He said he asked someone who she was and was told that the woman was the person who had selected Miss Winn as a contestant. Hilgemeier surmised that she was a woman on the staff because she had no difficulty getting in or around on the stage.

Hilgemeier mentioned other contest shows he had been on, had won money on, but as to all of which he had suspicions that things were not run on the up and up. Forsling has the notes as to these shows, the amounts of money he won and his particular comments concerning "The Big Payoff."

THOMAS K. FISHER.

CBS TELEVISION,

A DIVISION OF COLUMBIA BROADCASTING SYSTEM, INC.,

New York, N.Y., August 14, 1958.

Your reference: 8421.

Hon. MARY JANE MORRIS,
Secretary, Federal Communications Commission,
Washington, D.C.

DEAR MISS MORRIS: This is a preliminary response to your letter of August 11 in which you ask for a statement concerning the allegations made in an attached affidavit executed by one Eddie Hilgemeier.

The "Dotto" program is produced by Marjeff, Inc. We are advised that Marjeff, Inc., is owned by Frank Cooper, Sylvia Cooper, and Sy Fisher, and that some or all of these individuals are owners of Frank Cooper Associates, mentioned in the affidavit. The show is sold by Marjeff to Colgate-Palmolive Co. Colgate-Palmolive has purchased time on the CBS Television Network for the presentation of this show pursuant to the standard facilities agreement between the network and advertisers. The program is broadcast on the network from 11:30 a.m. to 12 noon, 5 days a week. CBS has no financial interest in the program.

The matter referred to in Mr. Hilgemeier's affidavit first came to the attention of CBS on Friday, August 8, 1958. Ted Bates & Co., Inc., the advertising agency for Colgate-Palmolive, called CBS around noon of last Friday, stating that on the previous day Eddie Hilgemeier had called at the offices of Colgate-Palmolive and, among other things, had left a copy of the affidavit with Colgate-Palmolive. Neither Colgate-Palmolive nor Ted Bates had any information concerning the incident of May 20 or any events subsequent thereto as alleged in the affidavit prior to the visit of Hilgemeier to Colgate-Palmolive on August 7.

I was immediately advised of the Ted Bates telephone call by the CBS employee who had received the call. In conjunction with the law firm of Rosenman Goldmark Colin & Kaye, general counsel to CBS, we have been engaged in investigating the facts since last Friday afternoon. Similar investigations are being made by counsel for Ted Bates and counsel for Colgate-Palmolive.

On Friday evening counsel for Ted Bates and we interviewed representatives of the producing company and Marie Winn, the contestant who allegedly received the answers in advance. On Monday and Tuesday of this week we were at the studio prior to and during the course of the broadcast, where we interviewed additional personnel of the producing company. Yesterday afternoon, together with counsel for the agency and counsel for the sponsor, we interviewed Eddie Hilgemeier. There remain a number of leads and matters to be covered before any final conclusions can be reached by us.

I detail our investigating activities at some length to make plain that immediately upon learning of this matter last Friday we viewed the allegations in a most serious light and have taken and are continuing to take all steps we believe necessary to reach a conclusion. I am not certain that we will be in a position to submit a statement of our conclusions within the 15 days requested by you but I can assure you that we are proceeding expeditiously and that a statement will be submitted as soon as we are satisfied that we have exhausted our investigating procedures and have reached a conclusion respecting this matter.

Respectfully yours,

THOMAS K. FISHER,
Vice President and General Attorney.

(A subsequent letter, dated August 18, 1958, from CBS to FCC giving further information on the subject is contained in the record of the testimony of Chairman Doerfer on October 10, 1959, appearing earlier herein.)

"DOTTO"—MEETING AT COLGATE-PALMOLIVE CO. ON FRIDAY, AUGUST 15, AT 5 P.M.
(Called pursuant to a request by Mr. Cooper, who stated that he wished to present his views to Colgate and CBS)

Present: Messrs. Little, Hart, Stanton, Bates, Robinson, Reynolds, Sherman, Fisher, Douglass, Pinkham.

Frank Cooper and his attorney, Walter Schier, joined the meeting and Mr. Cooper stated substantially as follows:

After referring to a personal bereavement, Mr. Cooper referred to his friendly relations over a period of many years with Colgate, and indirectly with CBS, in the production of shows in which they were respectively interested. He referred particularly to the "Strike It Rich" program in which he had been associated at one time with Walter Framer and to an incident (which he did not explain) which had resulted in great anguish for him. (This apparently referred to the disposition of the proceeds of the Heart Fund after Walter Winchell had referred to this subject in one of his radio broadcasts.)

He stated that since his return from California last Friday, he has been checking into the matter brought to his attention that day by the Ted Bates agency concerning the Hilgemeyer affidavit. He stated that he had met at the agency Friday, and in the Frank Cooper Associates' offices Friday evening with counsel for CBS and Ted Bates, and that during the course of this week he had interrogated the producing staff of "Dotto" and had met with Mr. Fisher of CBS at the studio the early part of the week.

He stated that no money was stolen from Colgate in the operation of the show.

He stated that he found that on an audience-participation quiz show a certain formula is used in producing this type of show, as there is a special format for mystery shows, for dramatic shows.

He said that control is exercised. In talking to his people, he found that this type of show is produced in the same manner as other similar shows on the air. He knows this because members of his staff have "inherited" their knowledge from other shows in which they have participated.

In this control, he said, it is possible to favor one contestant over another. It is necessary to do this for the dramatic content of the show. If it is not so produced then the audience-participation shows become merely a staring process.

He was asked to elaborate on the "control" which he mentioned. He answered that first there is the selection of the participants; that after a participant is selected, questions are asked to determine in which categories they have special knowledge. He stated that contestants were then coached. He gave the example of asking a participant who the first, second, and third Presidents were and, if they did not know, the name would be mentioned to the participant in the coaching process. At the time the participant appeared on the show, some of the questions which had been gone over in the coaching process would be asked of the participant. Through this process, control could be exercised over the life of the participant on the "Dotto" program. In fact, to maintain the entertainment value, the number of appearances were controlled in this way and there was also favoritism exercised among the various contestants—more information being furnished to one contestant than to his opponent.

In response to other questions, Mr. Cooper stated that prior to the Hilgemeyer incident on May 20, there had been considerable degree of laxity in the security measures taken to protect the questions and answers and approximately 14 to 16 persons were in a position to have this information in advance of the broadcast.

Subsequent to the May 20 incident, he said, the list of people who might have the questions and answers was reduced. Following the meeting of last Friday night, further tightening was instituted in the number of people having the papers; these are now accessible to only four persons, the information being delivered in a sealed envelope. He stated that when he and Fisher of CBS the early part of this week both noticed a list of the clues on the wall by the sound-effects man in the control room, that steps were immediately taken to remove the same and the sound-effects man now has no information as to the clues. This requires considerably more judgment on the part of the sound-effects man in knowing when to cut in the applause sound.

When asked whether the coaching still continued, although tighter security measures had been instituted in regard to the distribution of the papers, he replied that until they were told to change the general practice, the coaching would be continued.

He was asked whether they had found how Marie Winn had secured the answers. He replied in the negative. Mr. Schier stated that at the Friday night meeting she had lied in certain respects, so the rest of her story was suspect.

After Mr. Cooper had indicated that he had no further statement to make, he and Mr. Schier were excused from the meeting and a discussion took place among the remaining participants. Upon returning to the meeting, Mr. Cooper expressed the hope that Colgate and CBS would view the situation sympathetically and consider his position as a human being and in light of his past relations with both companies.

Mr. Little told him that we would wish to turn the information he had given us over in our minds and that we would meet with him again at 2:30 p.m. tomorrow at the offices of CBS.

THOMAS FISHER.
WALTER REYNOLDS.

The foregoing represents an accurate and complete summary of the events that occurred at the referenced meeting:

E. H. Little, (?) Hart, (?) Stanton, (?) Bates, (?) Robinson, H. W. Reynolds, Stuart Sherman, Thomas K. Fisher, James C. Douglass, (?) Pinkham.

NEW YORK, N.Y., August 16, 1958.

TED BATES & CO., INC.,
New York, N.Y.

DEAR SIRS: This is with reference to the network television facilities agreement, dated May 19, 1958, between you, acting as agent for Colgate-Palmolive Co., and us.

CBS Television Network hereby notifies you that the agency material (i.e., the program "Dotto") furnished by you for broadcast under said agreement fails to conform to CBS Television Network's general program policies and to the regulations set forth in said agreement.

Accordingly, CBS Television Network does hereby exercise its right under said agreement to refuse to broadcast the aforesaid agency material. Such refusal is effective immediately.

Very truly yours,

CBS TELEVISION NETWORK,
A Division of Columbia Broadcasting System, Inc.
(Signed) THOMAS K. FISHER,
Vice President, General Attorney.

The CHAIRMAN. Mr. Moss.

Mr. MOSS. Dr. Stanton, I note in the discussion so far that you seem to regard network regulation as synonymous with censorship. Am I correct?

Mr. STANTON. If I gave that impression, Mr. Moss, that is not my position.

My concern, however, is very deep on the question that regulation must not invade the area of censorship. I simply said when someone asked me about the licensing of the networks that I really couldn't be responsive to whether it was good or bad without knowing the approach or the thrust of the licensing and what it regulated against. But I am not saying that any kind of regulation is censorship by any means. My concern is that one can bleed over on the other.

Mr. FLYNT. Do you not feel it is quite possible to have regulation in the interest of the public without having censorship?

Mr. STANTON. As I understand it, sir, we are in about that posture today, with the licensing of the stations with the FCC.

Mr. FLYNT. Really you could, at any time, completely divorce the network operation from any station operation. We have had evidence of that in recent months when Mutual became a network without any stations. But it still functioned as a network. You could do the same thing, could you not?

Mr. STANTON. There is no question about that. But let me say one thing on that. That is that I think the licensee doesn't change his responsibilities one iota just because the network ceases to own stations. I think the man in Keokuk, Fort Wayne, or wherever he might be, with a station, has to make absolutely sure that the product the

network is feeding him measures up to his licensee responsibilities, and if the network itself doesn't own and operate stations so that it is out from under this FCC licensing provision, I think this is due notice to the affiliate that he has a different relationship with the network at that point.

I don't quarrel with the man in Omaha, who runs the station and who knows the character of the operation that his network operates, because he says, "If they operate good stations they are not going to feed their good stations improper programs." But if we get rid of those stations and the management of the network changes, then I think the man in Omaha is on his own, and he has a different set of problems when it comes to accepting programs under that set of conditions.

Mr. MOSS. But they did feed those stations improper programs.

Mr. STANTON. This, sir, does not necessarily flow against the network. It flows, in my book, against the licensee for accepting those improper programs.

Mr. MOSS. How would the average licensee have any knowledge of the practices going on in the center of activity?

The network has, at least, a supervisor on each of these shows, do you not?

Mr. STANTON. Let me say this: We are comparing in a sense, here, two different things, because one is radio and one is television.

Mr. MOSS. Let's stick to television.

Mr. STANTON. Right. I don't want to appear on the record as being as arbitrary as perhaps my answer might read against your question before.

Sure it would be difficult for the man in Omaha to come into New York City in a studio to make sure that things were the way he had to have them. But I would submit that if we came to that kind of an operation, where the network did not own stations, so that you had that safeguard, that the man in Omaha, to take an example, would then insist on getting the programs in advance and having a look at them, so that he could be sure, or as sure as it is possible to be by inspection, that they appear to be fit and proper for his audience.

That is what you would come to, I think, if you didn't have the ownership of stations and networks in common.

Mr. MOSS. Why would it not be a good idea, perhaps, for him to do a little bit of inspection, and maybe even for the network to undertake some hearings, or, if they were regulated, to have hearings to determine perhaps some criteria for balance, not for content but for balance of programing.

I want to make it very clear that any remarks I make are not directed to urging any type of regulation which would produce censorship. I think I have a fairly clear record over quite a number of years of my personal abhorrence of anything which constitutes censorship.

Mr. STANTON. I believe we understand each other perfectly on that question.

It is a good idea, the suggestion you make. I would welcome, and so would my associates, more participation on the part of the affiliates, and more interest in doing the very thing you are talking about. But this is going on right now.

Just last week, in California, there was a meeting of the affiliates advisory board, elected representatives of the CBS Television Network Affiliates Association, meeting with our programing officials, talking out the plans for the schedule, criticizing the program balance; we explaining, on the other hand, the plans for the future.

This goes on all the time. It doesn't just take place in conventions and affiliate meetings. It takes place by closed circuit.

For example, when we have an important news series coming up, we will use our lines when they are not operative for network purposes and put that program on so that the stations can see the program and judge for themselves. If we have a program in an area that may be in a controversial area, it is screened for the stations, so that we are trying to share our responsibility with the affiliate.

All I was saying before was that, if you didn't have a network that owned stations, then I think there would have to be much more of this going on, on the part of individual stations. They have delegated a certain amount of judgment; there is no question about that.

But I think the track record is not too bad, and they have also the assurance that we are not going to do something on the network that is going to hurt our licensees in five important markets.

Mr. Moss. It would not really be anything rather difficult to seriously jeopardize a license, would it?

Mr. STANTON. We don't think so.

Mr. Moss. Do you know of any instance where any have ever been refused renewal?

Mr. STANTON. That is the favorite rejoinder to the question that you have raised that there is never any record of it, but I don't want to be the first time is all I want to say to you.

Mr. Moss. Do you know of any instance where there has been, as a matter of routine, any consideration or evaluation in depth of station performance?

I can think of one case.

Mr. STANTON. I think if you go back over the years, you will find some cases; yes.

Mr. Moss. It is not the custom, is it?

Mr. STANTON. If custom means generally, and I think it does, the answer has to be negative.

Mr. Moss. Dr. Stanton, do you feel that the programing balance today reflects improvement or deterioration from the picture of, say, 3 or 4 years ago in network programing?

Mr. STANTON. I would like to answer that in two parts.

If you are saying am I satisfied with the balance today, the answer is "No." I would say to the first part of your question, I hope it is better, and I think it is. But what you may think is better and what I may think is better could be many degrees apart on the compass.

Mr. Moss. You are aware, are you not, of a considerable segment of the population protesting a diet of violence for a great part of the time, even through the various crime series, or the westerns or what not, which are on television with such great frequency today?

Mr. STANTON. I am sorry, I did not get the first part of your question.

Mr. Moss. A diet of violence.

Mr. STANTON. I don't think we are giving the public a diet of violence, Mr. Moss.

I think perhaps we would be better off to find some new forms, and we would find them if we could create them. The problem isn't a willingness on the part of the broadcaster to put on different kinds of programs; the problem is finding the programs.

Mr. MOSS. Is the problem also to try to outrage the other fellow?

Mr. STANTON. Circulation is important to a network and to a station, but it isn't the only rule by which we live. If it were, we wouldn't put on a program like the "Biography of a Missile." We were the third network at the time that program was on. We knew that.

Mr. MOSS. For that program, I want to compliment you highly.

Mr. STANTON. Thank you.

We knew we were walking into a smaller audience with that program. We knew it when we put on the Philharmonic a Sunday or so ago, that it wouldn't be as popular. But if we are going to try to do a balance job, we have to stick our neck out and do that sort of thing.

I said a moment ago, in answer to Mr. Rogers, that if you extend in time this medium, as we have extended books, magazines, newspapers, and other forms of communication and creativity, I think we are going to come out all right. I have too much confidence in the American public to allow a broadcaster to give them something that they don't think is good programing.

But our job is to expose and to encourage the acceptance of new program types.

Mr. MOSS. You must admit that the means of expressing disapproval for the balance of programing is most cumbersome and difficult for the public to handle, is it not?

Mr. STANTON. It is as simple as a 4-cent stamp and a letter, on the one hand. But we go beyond that. We make an effort to find out ourselves what the public thinks of these things. I wasn't here yesterday when you were talking about westerns and so forth in your area.

Mr. MOSS. I want to make it very clear that I have had the unpleasant experience many evenings here in the Washington area, just as I have in my own area, other sections of the country I visited, of turning on television for entertainment and turning it off in disgust.

So it is not characteristic only of my area. I am not saying that this is something that is easily achieved, or that you can possibly program to please all of us.

I recognize that inherent in this matter of balance are many very difficult questions. But I am concerned about the extent to which the drive to get the maximum audience dictates the programming, and the interest of the sponsor dictates the content of the programing.

Mr. STANTON. Do you mean by the last question, sir, dictates the content to achieve circulation or specifically dictates the content of the program?

Mr. MOSS. Dictates the content to achieve maximum circulation. This seems to be one of the greatest, or the greatest, motivating factor in this whole operation.

In saying this, Dr. Stanton, I want to make it very clear, speaking individually at this point, that I am one member of this committee

who does not feel that we have yet gone into, with sufficient depth, the many interesting charges that have been coming forward to reach the necessary conclusions for a final recommendation.

I think in the quiz area, yes, we have. But I have personally received numerous complaints, some of them of a rather serious nature, regarding other types of programing, where the charges of deception are equally strong. I do not mean the deception which is inherent in the dramatization events. I mean far more basic types of deception.

Mr. STANTON. We hope to establish, by the statement that I read to you this morning, that we took this matter of the quiz programs to reexamine our whole schedule, to make absolutely sure that there was not something else that might be equally as wrong, although perhaps not as dramatic, as the fixing of a quiz show. This is the constant responsibility of a broadcaster.

I simply say to you that I hope the entire industry does this thing. But I want to come back to that dictate point. I don't think that the advertiser dictates. I think the advertiser selects programs for the kind of circulation that he wants. But the broadcaster doesn't do the circulation only because he is selling time. He has a mass medium and he is trying to serve large numbers of people.

I think it would be just as wrong to take the limited facilities of television, and they are limited by the spectrum, and serve only a very small minority of the public, no matter how good the taste of the programs might be.

In other words, if you did nothing but Carnegie Hall and the kind of music that is played in Carnegie Hall, I do not think you would be using the medium of television.

Mr. Moss. Is that not so obvious as to almost rule out any discussion of it?

Mr. STANTON. No, it isn't, because so many times the people who criticize the balance and the level of programing want Carnegie Hall at the time when they want to turn on the set.

What I am saying is that we try to give you Carnegie Hall if you will do the same for television as you do for Carnegie Hall, and that is, do it at the time that the program is in schedule. You wouldn't expect to go into Carnegie Hall at any hour of the day or night and get the kind of music you want. I know you wouldn't.

Mr. Moss. Most certainly I would not.

Mr. STANTON. But the same individual who will say the answer that you have just given me will say, "There was nothing on television when I turned it on that I wanted to look at."

But there are things in that schedule that, if he would do as much for us as he would do for Carnegie Hall, he would find very worthwhile in the schedule.

Mr. Moss. I only want to make the observation that there is less that I want to look at today than there was a few years ago. I will give you an example.

I happen to be one of those who resented deeply the action of the networks in removing a program which had been a favorite for many years. I was perfectly willing to wait once every week to see it. That was the "Voice of Firestone." I understand the sponsors were perfectly willing to pay the going price. But apparently, whatever the difficulties were, it finally went the rounds of the network and dis-

appeared. In the disappearance, it disappointed a great many Americans.

I think this is an instance where the drive for rating overcame the need to recognize a certain public interest.

I assume, as I have watched other favorites disappear, that this same drive to achieve a larger circulation, a larger exposure for the commercials, has resulted in a deterioration of what I would call balance. I would not expect 6 nights a week of anything. I might like fish, but I do not want to eat it for 6 days a week. I do not think anyone else does.

But I am concerned with the extent that the sponsors do control. I regard the revelations here of the Revson group, the Revlon group, as constituting a very close control and supervision of program.

I have seen in the press, very recently, a very sharp comment on the continuing activities of that particular sponsor in another program which is currently carried on your network. I am interested in the degree of control a sponsor is able to exercise on a continuing basis over program content.

This, in my judgment, is censorship by a commercial interest. It is nonetheless just as real. The motivation is not perhaps as pure as if others were examining the content.

Mr. STANTON. Let me give you a brief answer to this, Mr. Moss.

I simply want to say, Mr. Moss, that you have put your finger on a problem. It isn't one, however, that we can solve overnight. But just as there are extremes in one direction, there are many advertisers who have only responsibility for the selection of the program series, in terms of its quality. They have responsibility for their commercials. They allow the production and the creativity and the excellence of the program entirely up to the producer and do not step in in any way whatsoever.

So you have those two extremes. We have to find a way, but we are young. This is no excuse, but it is an explanation. We have to find a way to live within this commercial system we have, because I don't see any better one outside this room.

Mr. Moss. I think we can; I think we can find a way.

Mr. STANTON. Good.

Mr. Moss. But I am of the opinion that it is going to take not only the exercising of your responsibility, and I think that responsibility is to the public, but of our responsibility, because when something goes wrong they wonder why we do not act on it.

I think we are going to have to more closely examine the sufficiency of present regulatory measures which deal not only with the activities of the individual broadcaster, but the activities of the network.

In my judgment, and I may be wrong, you exercise through the economic power of affiliation a greater control, a more effective control, than is exercised presently by the Federal Communications Commission.

Mr. Chairman, in deference to your schedule—I know we have gone at least a day over the original plans of the subcommittee—I will terminate my questions.

I want to thank you, Mr. Stanton. I think you have expressed before the subcommittee a far more open mind, a far more constructive attitude, than was expressed here yesterday by the president of another major network.

Mr. STANTON. Thank you, sir.

The CHAIRMAN. Dr. Stanton, on behalf of the subcommittee I wish to thank you for your appearance here. Obviously, the questions from members of this subcommittee, as a result of our hearings and your statement this morning pertaining to this matter, exemplify the intense interest we have in this program. We appreciate your willingness to come down here and assist the subcommittee, and to respond to the questions which have been raised by the members.

I am sure the members would like to ask many more questions about other phases. I am sure we will have an opportunity for that at some later date.

I know it was rather short notice for your call, but, nevertheless, we appreciate your response and appearance here.

Mr. STANTON. Thank you, Mr. Chairman, and members of the subcommittee.

If I might say off the record, it has been my experience in appearing before your committee that I should always plan on a second day.

The CHAIRMAN. Well, we regret that, but, nevertheless, circumstances just would not permit otherwise.

Mr. STANTON. I understand.

The CHAIRMAN. We have a statement which I will include in the record, from Dr. Frederick R. Bailey, one dated October 31, certifying that Mr. Louis Cowan was admitted to the Presbyterian Hospital on October 20, and is still in the hospital and probably will be for 2 more weeks.

The letter will be included in the record.

(The letter referred to follows:)

NEW YORK, N.Y., October 31, 1959.

Mr. RICHARD N. GOODWIN, Esq.,

Assistant Counsel, Committee on Legislative Oversight, House of Representatives, Washington, D.C.

DEAR MR. GOODWIN: Mr. Louis Cowan was admitted to the Presbyterian Hospital, in New York City, on October 20. He is still in the hospital, and probably will be for about 2 more weeks.

The diagnosis is thrombophlebitis of the left leg.

Yours very truly,

FREDERICK R. BAILEY, M.D.

The CHAIRMAN. We have a letter submitted by the Chairman of the Federal Communications Commission, Mr. Doerfer, as a result of his appearance before the subcommittee some time ago. That information will be included in the record.

(Letter referred to follows:)

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., October 12, 1959.

HON. OREN HARRIS,

Chairman, Special Subcommittee on Legislative Oversight of the Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN HARRIS: I wish to clarify one important aspect of my testimony in the television quiz hearings on Saturday, October 10, 1959.

Some committee members indicated that broadcasting was in a different category than newspapers, magazines, books, etc.; that the Government extended through its licensing process a very valuable privilege to the broadcaster and hence had a good deal of control beyond the strict censorship provisions of section 326; that my apprehensions about a possible court decision similar to the one in the *Grove v. Christenberry* case (U.S. District Court for New York (Southern District), 1959 ("Lady Chatterley's Lover")), were probably not

well founded because the Federal Government licenses radio and television stations and not book publishers.

I hasten to advise the committee that a very valuable privilege extended by the Government was involved in the *Grove* case. At issue was the right of the publishing company to avail itself of the second-class mailing privileges extended by the Government to publishers "for the dissemination of information of a public character, or devoted to literature, the sciences, arts, or some special industry."

Your committee will, no doubt, deem it important to consider whether or not it can legislate differently between the type of privilege extended under the second-class mailing privilege law and the type of privilege extended by the Government in licensing radio and television stations.

Sincerely yours,

JOHN C. DOERFER, *Chairman.*

The CHAIRMAN. We have material, a letter and material, from the Federal Trade Commission, which is a result of the appearance of the Chairman of that Commission when he was here before, and information which the subcommittee requested at that time.

That has now been supplied and will be included in the record at the appropriate point in the testimony of October 12, 1959.

The CHAIRMAN. We have a letter from Commissioner Robert E. Lee, addressed to me as chairman of the committee. If there is no objection, that will be included in the record at this point.

(Letter referred to follows:)

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., October 15, 1959.

Hon. OREN HARRIS,
House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN: I have been giving a great deal of thought as to what might be done as a result of the recent exposures of your subcommittee. I agree with the statement of Chairman Doerfer as to the difficulty of the Commission proceeding under existing law, but this is not to say that we should not explore some reasonable amendment that would set up adequate restraints within the confines of free speech.

In view of the urgency of the situation I thought I should call to your attention some thoughts that have occurred to me for whatever attention you feel they might merit. These are personal views that I suggest as an area for discussion. Due to the press of time, I have not had the opportunity to present my ideas to my brother Commissioners nor to have my ideas staffed. Consequently, I have not prepared what I consider to be a final proposal to advance to your committee looking toward legislation in this area. I hope that you will consider the following "bare-bones" suggestions as an area for discussion between your committee on the one hand and this Commission on the other.

It cannot be questioned that what has occurred between the promoters and the quiz contestants is most reprehensible inasmuch as it resulted in a palming-off on the American people of something which was not what it purported to be. Despite the fact that subsequent revelations of irregularity practically spelled the doom of the so-called big-money quiz shows, these revelations highlighted a gray area in the regulatory scheme which still exists. In other words, the problem has not gone away simply because the quiz shows are not with us for all intents and purposes.

In striving to achieve a remedy against future occurrences of this and similar type incidents, I believe that we must be exceedingly careful that we do not transgress upon the constitutional guarantee of freedom of speech and the prohibition against censorship contained in the Communications Act. On the other hand, I realize that we cannot adopt a laissez-faire philosophy in our relation of the broadcasting industry. In between these two extremes, there is, I believe, a middle ground where we can reach the problems presented by the irregularities in the quiz programs through effective legislation (and implementing rules and regulations). In brief, I believe that we can promote honesty and fair dealing in this very sensitive area through the device of publicity. This publicity could take the form of an announcement by the licensee advising

the listener or viewer as to the type of program that he is seeing or listening to and the bona fides of that which is being presented. As I visualize it, the Congress could enact legislation setting forth the congressional purpose of requiring that a broadcast licensee must make an announcement at the commencement of a program as to the content of the program. Additionally, such legislation should also grant this agency the authority to promulgate rules to carry out the congressional intent. (In this connection, the rulemaking authority contained in section 303 of the act may be sufficiently broad to cover this situation.) In the promulgation of such rules, the Commission could make certain exemptions relieving the licensees of their responsibility to make such an announcement when, from the format of the program, it was perfectly clear to the ordinary listener or viewer that the program was not other than what it purported to be. In the case of local programs, the responsibility to make such an announcement would be placed on the station operator. In the case of network programs, it would be the responsibility of the network.

At the present time, many programs are preceded with an announcement to the effect that this is a dramatic presentation and the events and characters portrayed are wholly fictitious and any resemblance to actual events or persons, living or dead, is purely coincidental. Although designed to protect a broadcaster from civil liability, such announcements appear to have no deleterious effect on the dramatic production and have not been found to be burdensome to either the viewer or the broadcaster.

I realize that a procedure such as this will require a greater amount of supervision over programming by the broadcast licensees and the networks but, in my view, this is as it should be. Such supervision would, I am certain, go a long way toward the avoidance of another quiz show scandal or some other equally reprehensible scheme on the part of those who have no Federal license that can be placed in jeopardy by their conduct.

It seems to me that there is ample precedent for this type of regulation in several statutes, including the Communications Act of 1934, as amended. It would also seem that such a requirement would in no way run afoul of section 326 of the Communications Act, since we would not be proscribing in advance the type of program to be carried, but would only be requiring that the broadcaster clearly identify what the program really is.

As you know, section 317 of the Communications Act required that an announcement be made that all matter broadcast by any station for which service, money or other valuable consideration is received, be announced as being paid for or furnished, as the case might be. This section of the act was copied after section 19 of the Radio Act of 1927. This provision of law has not placed an onerous burden on the broadcast licensee and it has had the salutary effect of keeping the American people advised of who was paying for what they were listening to so that the people themselves could judge just what self-interest was involved. In other words, if they were going to be propagandized they would know by whom it was being done so that they could judge the material accordingly.

There is other precedent for what I, for the lack of a better term in the field of broadcasting, will refer to as a labeling law. For example, the Wool Products Labeling Act of 1939 (15 U.S.C.A. sec. 68-68j, 54 Stat. 1128 et. seq.) provides that the consumer must be advised of the content of a wool garment through a proper label or tag and, inter alia, provides penalties for mislabeling or misbranding. Additionally, the Food and Drug Act is replete with examples where labeling is required and mislabeling or misbranding is prohibited, e.g., labeling of colored margarine (21 U.S.C.A. sec. 346(b)); misbranded food (21 U.S.C.A. 343); misbranded drugs and devices (21 U.S.C.A. sec. 352); and misbranded cosmetics (21 U.S.C.A. sec. 362). The congressional purpose in enacting the Food and Drug Act was for the stated purpose of promoting honesty and fair dealing in the interest of the consumer (see 21 U.S.C.A. sec. 341). Undoubtedly, there are many other statutes which use the publicity approach as an aid to the effective regulation of an industry. I feel that such a statute could very well reach the problem here that your committee and this Commission are very interested in solving.

Some of the above examples may go somewhat beyond what is necessary or desirable to solve our problems since these statutes carry criminal penalties for their abuse. But these examples are only being suggested to indicate that there is ample precedent for this general type legislation. Moreover, the past history of this type of legislation indicates to me that it has been effective in achieving

the desired results and has not resulted in an onerous burden being placed on either the regulator or the regulated.

I realize that there would be many problems to enacting what, at first blush, might appear to be simple legislation. For example, we may very well have to recognize that our regulation of the networks through their owned and operated stations would be wholly ineffectual in the light of the problem we are faced with and that, therefore, Congress may have to authorize the Commission to establish rules and regulations and make orders with respect to networks and their activities. As you know, several bills have been introduced for this purpose in the past, the last being S. 376 in the 85th Congress. As yet, however, none has been enacted.

Unquestionably, there are many other problems that we would be faced with were the Congress to enact legislation in this area. It may very well be that there are so many problems inherent with such legislation that Congress would not consider it wise to enact legislation of this sort. However, it is my belief that the suggested solutions set forth herein can form a good discussion area between the committee and the Commission in their mutual efforts toward solving this situation.

I trust you will take these suggestions in the light in which they are presented; namely, as an area for further exploration.

Sincerely,

ROBERT E. LEE, *Commissioner.*

The CHAIRMAN. It has been requested that I include an address of Commissioner Bartley and an address of Commissioner Ford. I understand there is objection to these speeches being included in the record, for various reasons.

Mr. BENNETT. Mr. Chairman, I do not object to the speeches going into the record. I see no reason for their going in, because we will be cluttering up our record by inserting a speech made by a Commissioner before a trade association or somewhere else. That would be a big record.

If you are going to put them in, I want to reserve the right to put in some other speeches, perhaps by Members of Congress or other people who are experts in this field, which have been made from time to time, to round it out.

If you are going to make speeches important as far as our dealing in this matter is concerned, that would be my request. The same thing is true with reference to various editorials and columns.

I will not object to them going in, but if they are going in, I would like to have the right to put in some others.

The CHAIRMAN. I think the addresses by members of the Commission on this particular subject would be important to the record. Unless the gentleman objects, I would like to include those.

The gentleman may reserve, of course, his right to include such other speeches on the problems as he desires.

With that understanding, the speeches referred to will be included in the record.

(The material referred to follows:)

ADDRESS BY FEDERAL COMMUNICATIONS COMMISSIONER ROBERT T. BARTLEY BEFORE THE SOUTHERN CALIFORNIA BROADCASTERS ASSOCIATION, LOS ANGELES, CALIF., AUGUST 2, 1956

REGULATION OF PROGRAMS—HOW FAR? HOW GOOD?

Mr. Chairman, ladies, and gentlemen, there are three reasons why I am glad to be here with you Southern California broadcasters. In the first place, it is always a pleasure for me to participate with broadcasters in these shop-talk meetings. In the second place, I feel a deep kinship with broadcasters in general, since I, too, was one of the "regulated" before I became one of the "regu-

lators." And in the third place, I have been waiting a long time to go fishing again in the Pacific—in the first place.

Tonight, I have chosen for the topic of my talk a subject which has come currently into the spotlight again—namely, the question of regulation of programs by the FCC. As you are no doubt aware, there has been an increasing interest in programing matters in many quarters of late, not only at the Commission, but in Congress, newspapers and magazines, the trade press, and other segments of the industry as a whole. There have been charges and counter-charges hurled about concerning such things as excessive commercialism, program practices, loud commercials, and censorship by the Commission.

I feel that there is a need to clarify the atmosphere somewhat in this field. First, I should like to banish from your mind the so-called bugaboo of censorship. As I think I will show you later in my talk, there is no basis for any such fear on the part of the broadcast industry—from the Commission, at any rate. But more importantly, I should like to try to clarify what I consider to be the legitimate scope of FCC interest and activity in the field of program practices.

As most of you will no doubt recall, the Commission's most publicized entry into the field of programing matters was the more or less ill-fated "blue book", which was issued by the Commission in March 1946 under the title of "Public Service Responsibility of Broadcast Licensees." I personally think it is an interesting and useful document, when considering the history of the development of radio in recent years. But I feel that enough has been said about it in the intervening years since its issuance, and it has been so thoroughly and sufficiently damned by every broadcaster and industry official who considered himself "respectable," that I will say no more about it tonight. However, before I pass on to another subject, I should like to note with some interest that at least a portion of the views expressed by the Commission in that allegedly horrible document, about the need for program balance, has been cited with some approval by the heads of the two largest networks in their recent testimony before the Senate Interstate and Foreign Commerce Committee during its current network investigations.

The first point to discuss, it seems to me, is the question: What are the outer limits of FCC control in the field of programing? To start with, we have, of course, the statutory criterion upon which the Commission's licensing jurisdiction is based—what the courts have called the touchstone of FCC jurisdiction—namely, public interest, convenience, and necessity. Now from time to time we hear a repetition of the old theme that the functions of the Commission are limited to those of a sort of traffic cop, wherein the Commission's inquiries are restricted merely to a determination of the technical aspects of licensing. The fact is that the FCC is something more. I would have thought that the entire matter, with respect to the Commission's jurisdiction in those important aspects affecting the actual service to the public which will result from the grant of a broadcast license, had been laid to rest long ago by the highest court in the land. It was in the *Chain Broadcasting* case where the Supreme Court of the United States met this issue squarely and held without equivocation that the Communications Act did not restrict the Commission merely as a supervisor of the traffic in the ether, but that it placed upon the Commission the burden of determining the composition of that traffic.

Courts have held time and again that programs are the essence of the service in the public interest, which Congress set down as the criterion to be used by the Commission in its licensing functions. The courts have clearly upheld the right of the Commission, when considering applications for new licenses or for renewals, not only to consider whether the applicant has the necessary legal, financial, technical, and character qualifications to operate a station, but also whether the program service he proposes or has rendered in the past serves the public interest. Therefore, I think it can be validly stated that the Commission not only has the authority to concern itself with program service, but that it has an affirmative duty, in its public interest determinations, to give full consideration to the use to which broadcast licenses are put.

But, on the other hand, we have an equally important section in the Communications Act affecting program matters—namely, section 326, which states that: "Nothing in this Act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication."

In ruling out censorship by the Commission, the Congress wrote a guarantee that governmental regulations would not abridge the free flow of ideas. And, in my judgment, it has been an effective guarantee. But, you may ask, "How is it possible to reconcile the prohibitions as to censorship with the responsibility imposed upon the Commission to inquire into programming in passing upon applications for new stations and for renewals of license every 3 years?" Here again, the decisions of the courts may lend some assistance.

Let me digress for a moment in speaking of the matter of censorship to point out that, in my opinion, a good deal of the heat and furor that has been raised is due directly to a lack of understanding of this business of "censorship" in its true perspective—a lack of understanding in Congress, in the press, and in certain quarters of the broadcast industry.

First, you must realize that when you talk of censorship, you are talking about day-to-day control, in advance, of program content. Next, you must realize that we are here dealing basically with a system of licensing established by Congress in the Communications Act. It is clear that radio is a field of scarcity which is subject to reasonable regulation, through licensing, in the public interest. One might argue, as it has in fact been argued on occasion, that any denial of a broadcast license is a "previous restraint" on free speech. But when faced with this question, the Supreme Court held to the contrary. It pointed out in the *Chain Broadcasting* case that, under the licensing system established by Congress, the denial of a station license on the grounds that the public interest, convenience, or necessity would not be served, if it was otherwise valid under the act, would not be a denial of free speech. Likewise, other courts have held that when the Commission has refused to renew a license or to grant a new license because it had concluded that the programming was not in the public interest, that this did not constitute a denial of free speech or censorship in violation of the act.

And this must necessarily be so, because the essence of censorship is the passing on specific utterances or programs in advance of their presentation. The Commission's function, in passing either on the program proposals of an applicant for a new station or in reviewing the stewardship of a station upon its renewal period, is no more censorship than our libel laws which are designed not to restrain but to hold to account.

Moreover, it is clearly recognized that even within the constitutional protection of freedom of speech in the first amendment, there are certain limitations upon the right of free speech. The first amendment does not carry the right of free speech so far as to protect statements of sedition, treason, inciting to riot, slander or libel, nor does it shield anyone from the application of other criminal laws designed to protect the general public. The most famous characterization of this is attributed to Justice Oliver Wendell Holmes, who stated, "The right of free speech does not permit a man to stand up in a crowded theater and yell 'Fire.'"

By way of an aside, however, not too many people remember that it was this same great man who once also made a statement that I consider to be equally profound. The story is told that one windy spring morning when Justice Holmes was in his 90's, he was strolling on Capitol Hill with his renowned colleague, Justice Brandeis. A young lady walked by and the wind whipped her skirt up about her trim legs. Holmes gazed at her with admiration and turning to Brandeis he said, with a sigh, "Oh, would that I were 70 again."

Now, turning from avocation back to vocation—in broadcasting, specific prohibitions have been enacted into the criminal laws, so that a person is prohibited from using the radio for the broadcast of obscenities, indecent or profane language, lotteries, or false or fraudulent schemes. Outside these prohibitions, section 326 of the act means that there may be no advance proscription by the Government of programs or otherwise legal program types.

One further matter in considering the subject of censorship is that you must recognize that there is a diversification of responsibility in matters of censorship of broadcast material. The Federal Trade Commission, for example, is the agency which is charged with the regulation of commercial copy used in broadcasts. Likewise the Treasury Department has jurisdiction with respect to commercial advertising involving representations concerning certain alcoholic products. The Justice Department, of course, has jurisdiction in carrying out the provisions of the Criminal Code with respect to broadcasts involving obscenity, fraud, lotteries, etc. So, you see that the question of censorship over broadcast material is not wholly the concern of the FCC, nor can it be laid solely at its door.

Granted that the Commission has authority to concern itself with program service and program practices in the public interest, the question remains "Should the Commission inquire into these matters, and to what extent should such inquiry be made?"

Right now, after a station has been licensed, the only time the Commission makes an effort to review its programing is at renewal time, with the exception, of course, of inquiries made as a result of specific complaints lodged with the Commission. You all know, of course, that there have been expressions of doubt as to the effectiveness of the Commission's review of a station's performance when it comes up for renewal. The big job at license renewal time is to find out how the station has been operated during the preceding 3 years, and to decide whether its programing efforts have, with extremely liberal margins for error, met the varying needs of the public it is licensed to serve. The most revealing technique for discharging this function would be for the Commission and its staff to sit down with each renewal applicant and his staff. But, this is obviously an impossible assignment. And so, because of the shortness of life, we must compromise by setting up a procedure that requires each applicant to summarize and analyze his programing for a typical week along lines or by categories designed to reveal significant features of the stations overall efforts in the public interest.

We know that the criteria we are presently using for review of renewal applications are somewhat outdated. For example, the new role of radio in the entire broadcast picture has, in my opinion, not yet been properly reflected in the requirements of our application forms. The Commission is presently engaged with various elements of the industry in attempting to arrive at more effective and efficient renewal application forms which will not burden the broadcasters, and yet will give the Commission the information it needs in order to carry out its statutory functions. But, in the light of our responsibilities, we cannot abandon what we now have until we have something better to take its place.

During the NARTB convention in Chicago last spring, I referred to the fact that the broadcasters could help themselves and the Commission by using the present application forms in a more meaningful manner. I think I can perform no better service for those of you who are involved in the preparation of renewal applications, than to call your attention to question 10, section IV of form 303 which invites narrative supplement whenever there is question about whether the cold statistics do justice to your station in describing your programing efforts. I think that you are missing a great opportunity when you don't use this technique to supply answers to the questions which may most likely be raised at the Commission in considering your renewal application.

I can assure you that in considering the renewal applications, we are not slaves to percentages. We are aware that there exists in the broadcast industry of this country an almost endless variety of community situations which the licensee attempts to meet in his own judgment as to the best possible program service for his audience. The program log analyses which are to be submitted with the application were not designed to impose a straitjacket of program types or to change programing patterns and practices. At best, they serve merely to point to those stations about whose performance there may be said to be some question as to whether the community's needs are being served. But, I wish to point out that, even with the present renewal applications forms, the replies which the licensee gives to the questions provides the Commission with information which helps round out a total picture of the industry. And from this, it is possible for the Commission to make more or less rough judgments as to whether a station is making an effort to serve its public and community.

I think you are entitled at this point to my personal views as to the proper area of programing supervision which should be engaged in by the Commission. However, I caution you that I am merely one of seven commissioners, and the views which I give you are not necessarily those of "my sponsor." First and foremost, I can state categorically that I am a firm believer in self-restraint by the industry and self-regulation in programing practices. I have already pointed out that I agree wholeheartedly with the philosophy of Congress in specifically protecting the right of free speech by means of radio communication in section 326. But I would perhaps go a little farther; and I would stand for the proposition that not only should there be no censorship of the broadcaster by the Government, but I would also say there should be no censorship by any other group. In this respect, I have reference to the various pressure groups which, as you all well know, have tried in the past and are trying today to impose a form of censorship, direct or indirect, upon the broadcaster.

Through devious, indefinable, and sometimes insidious means, these private groups and organizations—these “self-appointed censors”—attempt to impose their own views as to the suitability and acceptability of program material upon the broadcaster or his advertiser-sponsor who, sensitive as they must be to public relations, are frequently at a loss to resist such pressure and complaints. However, I think it is the obvious responsibility of the licensee to refuse to knuckle under to these “illegal” restraints on the operation of his station.

As far as the other areas of program supervision are concerned, I think I can sum up my position as follows: In the field of entertainment programs, I would say that the Commission should place no bars of any kind upon the broadcaster, with the caveat, of course, concerning obscenity, lotteries, and fraud. In this field, I think that public taste is the prime arbiter. As a former broadcaster, and even as a Commissioner now, I can tell you frankly that I personally don't care too much for some types of programs and program practices engaged in by a minority of licensees. However, as in other matters with respect to the running of a station, this is a question of licensee responsibility and licensee judgment in which the Commission does not and, in my opinion, should not interfere. The broadcaster himself must take the risk of offending the public if he goes too far or becomes too extreme in his programing practices. For here the public is, in fact, “The absolute censor.”

The American system of broadcasting has been symbolized by the hand of a listener turning a receiver dial. One must always be cognizant of the fact that it is the listener or viewer who is the end product—the keystone in our system of broadcasting—toward which the entire machinery of governmental administration, technical developments, investments of broadcasters, and expenditures of advertisers is directed. The absolute right of the listener to “censor” any program which does not attract and hold his interest, by merely turning the dial to another station or by shutting off the receiver, is an integral part of our broadcasting system. It is in this light that American broadcasting has developed to its present state, through the stimulation of competition among stations to attract and hold listeners to their respective stations.

There are, however, certain areas of programing supervision in which I feel the Commission has an affirmative duty to see to it that the congressional mandates contained in the Communications Act are carried out. When Congress enacted the law which governs broadcast services, it set forth certain specific safeguards which were designed to assure the maintenance of free radio in the United States. In addition to specifically protecting the right of free speech in section 326, to which I have already referred, Congress also believed that it was necessary that identification of the source of radio programs was vital to the listening public.

Section 317 of the act requires that not only the sponsor of the program, but anyone furnishing material for a broadcast should be identified, so that the people might know who is the advocate. In other words, Congress imposed a specific prohibition in section 317 of the act against hidden identification or hidden propaganda. This section of the act requires that all matter broadcast by radio stations for which service, money, or any other valuable consideration is paid to, or accepted by the station from any person, must, at the time of such broadcast, be announced as paid for by such persons. The obvious intent of Congress in this section was that the public is entitled to know the true identity of the source of a particular program. It would have been idle gesture for them merely to have required a sponsor to name its product—that comes naturally—and, at times, repetitiously. This section is obviously aimed at the more subtle types of propaganda. It is based on the belief by Congress that if the true identity of the source of such propaganda is known, the public will be better able to evaluate it. In this field, the Commission has an affirmative duty, in my opinion, to see to it that licensees carry out the provisions of the law to the letter.

Another aspect of the Commission's functions, in assuring the maintenance of free radio, is its efforts to assure fairness to all sides in the use of this medium, such as its expression of policy in the report on “Editorializing by Broadcast Licensees,” which was issued in 1949. Of course, one portion of this problem is specifically set forth in section 315 of the act, wherein Congress specified that, with respect to political broadcasts, there was to be equal opportunity in the use of radio facilities. You broadcasters are no doubt familiar enough with those provisions, so that they do not require further explanation at this time. However, what I want to concentrate on at this moment is that

aspect of broadcasting affecting issues or ideas of a controversial nature, which are not necessarily included in the political broadcast section of the act.

Let me tell you what I think should be the criterion of a broadcaster in this field. I can't think of a better way to start than to quote Thomas Jefferson who said, in defending freedom of the press, "But for God's sake, let us freely hear both sides." That philosophy applies even more so, in my opinion, to radio and television.

The point of focus today in the struggle between the free world and the world of totalitarian dictatorship is the right of men to the fullest access to information. It is in assisting in this struggle for freedom today that it seems to me the broadcaster can best justify the grant of a license to him.

Since radio and television provide such a valuable forum for the expression of responsible views on public issues of a controversial nature, the broadcaster should seek out and develop with accountable individuals, groups, and organizations programs relating to controversial public issues of import to his fellow citizens. He should give fair representation to opposing sides of issues which materially affect the life or welfare of a substantial segment of the public.

Further, I think that, as an important element in community life, the broadcaster should not be reluctant to take an editorial position on various public issues; but, of course, when he takes such a position, he should identify it as such, and should take affirmative steps to see to it that equal time is provided for all other sides of the question. In providing time for this purpose, he should be guided by certain principles; for example, he should consider requests by individuals, groups, or organizations for time to discuss their views on controversial public issues on the basis of their individual merits and in the light of the contribution which the use would make to the public and to a well-balanced program structure.

Moreover, programs devoted to the discussion of these public and controversial issues should be identified as such, and should not be presented in a manner which would mislead listeners or viewers to believe that the program is purely of an entertainment, news, or other character.

Before I am accused of attempting regulation by the lifted eyebrow, or by nonofficial Commission statements, or of plagiarism, let me make it clear that I lifted the substance of this from the Code of the National Association of Radio and Television Broadcasters, to which I am sure all of you subscribe in principle.

One other area in which I think the Commission should take affirmative action is on every occasion when there comes to its attention program practices of a licensee which indicate that news and public events are not being presented to the public in a fair and impartial manner. In other words, I think that news slanting by a broadcaster is an abuse of the license privilege which cannot and should not be condoned by the Commission under any circumstances.

We come now to the final feature of the question of program control; namely, future policies. I have already indicated that Congress has set down specific areas of program controls in the Communications Act, such as political broadcasts, censorship, and announcement of sponsored programs. In light of the fact that there seems to be some misunderstanding in various quarters as to the nature and extent of this matter of program control, it would seem reasonable that these policy matters should be presented to Congress for its consideration in terms of the direction and scope that such matters should take in the future. In this respect, I think the broadcast industry can be of great help. It should familiarize the congressional committees concerned at every available occasion with the particular problems involved in the operation of stations and in the questions they wish to raise concerning Commission jurisdiction.

I think the broadcasters can also be of great help to the Commission and to themselves by aiding the Commission in the formulation of up-to-date and effective performance forms for use at renewal time.

Further, I have already referred to the need for self-regulation in order to curb program abuses. I think the industry should take measures to curb abuses at their source, whether it be the advertising agencies, fly-by-night operators, or those who generally are more interested in the "fast buck" than in doing a real job for the public and the industry. I think the best hope for the broadcaster is to build up true circulation based upon the quality of his programs, and not artificial audience-stealing gimmicks.

When you stop to realize it, you will discover that in no other field of endeavor can a man avail himself of such privileges and opportunities, through

the use of public property, as in the broadcast service. I would say that the broadcaster who looks upon himself as the steward of a public trust can be depended upon to operate his station in not only a satisfactory, but an exemplary manner.

Each of us in his own way has a job to do for our country and for our fellow citizens. The broadcaster has a sobering responsibility and a rare opportunity for contribution to the advancement of our democratic way of life. In his own community, every broadcaster can, if he wishes, become a statesman, a leader of his community, a benefactor to the welfare of his neighbors, doing a job which cannot otherwise be duplicated.

The very nature of the facility which the broadcaster has under his control—with its unique potentialities for molding public opinion and as an unparalleled forum of the community in all phases of its cultural, economic, and political life—all this enables the broadcaster, more so than others, to contribute to the enjoyment of living of each of his fellow neighbors and citizens.

The American system of broadcasting—the proper use of radio and television stations—can be, and should be, one of the cornerstones of liberty in this country.

ADDRESS OF COMMISSIONER FREDERICK W. FORD BEFORE THE WEST VIRGINIA BROADCASTERS ASSOCIATION, WHITE SULPHUR SPRINGS, W. VA., AUGUST 28, 1959

THE ROLE OF THE FEDERAL COMMUNICATIONS COMMISSION IN PROGRAMING

Over the years there have been repeated discussions of programs on radio and television stations. The legislative history of the Federal Radio Act is replete with references to this subject. The literature of the industry contains many heated statements concerning programing and the Commission's authority or lack of authority in this area as a part of its regulatory responsibility.

In the 25 years of its existence the Commission has received thousands of letters complaining about specific programs. Some of these letters have charged the Commission with various derelictions of duty and have asked it to take action against the broadcaster because of some particular program. In many instances inquiry is made of the broadcaster as to the facts on which the complaints are based. In most instances the complaints are found to be unjustified. In other instances the Commission has advised the broadcaster that it believes the complaint to be justified and in a few instances applications for renewal of licenses have been requested and then set for hearing to determine whether a renewal of the license was in the "public interest, convenience, and necessity." In almost all cases the feeling is intense on both sides.

Because of the intense feeling this subject engenders it is not without some trepidation that I embark on a discussion of programing with you tonight. I believe, however, that it will be helpful to discuss the legal authority of the Commission to consider programing on an overall basis, to review its past efforts to establish sound policies with respect to programing, to consider its present policies, and finally a possible course the Commission could pursue.

Section 307(d) of the Communications Act provides that renewals of license may be granted, upon application therefor, "if the Commission finds that the public interest, convenience, and necessity would be served thereby." Thus, before the Commission can grant a station authority to continue in operation for another license period in the manner proposed by it, the Commission must find that such continuation would serve the public interest.

In my opinion, it is well settled—by judicial decision, by the history of agency interpretation and congressional consideration of the Radio Act and the Communications Act, and in view of certain other provisions of the Communications Act (notably secs. 303(j) and 325(b)) that the "public interest" which we must consider in this context includes, as an important element, the past and proposed programing of the station involved.

With respect to judicial decisions, the authority of our predecessor agency, the Federal Radio Commission, to deny renewal of license because of the character of the material broadcast over the station was settled in two early decisions under the Radio Act rendered by the U.S. Court of Appeals for the District of Columbia (*KFKB Broadcasting Company v. Federal Radio Commission*, 47 F. 2d 670 (1931), and *Trinity Methodist Church, South v. Federal Radio Commission*, 62 F. 2d 850 (1932)). In the latter the court stated:

"It is apparent, we think, that the business is impressed with a public interest and that, because the number of available broadcasting frequencies is limited, the Commission is necessarily called upon to consider the character and quality of the service to be rendered. In considering an application for a renewal of the license, an important consideration is the past conduct of the applicant, for 'by their fruits ye shall know them' (Matthew VII:20)."

Our authority to consider programming in connection with applications for new facilities, either on a comparative basis or noncomparatively, is likewise well settled. See, for example, *Simmons v. FCC* (169 F. 2d 670, 4 RR 2023 (1948)), affirming our denial of an application, without comparative consideration, where the applicant proposed to broadcast all of the programs of a national network irrespective of the quality thereof or of the need of the community for other programs; and *Bay State Beacon, Inc. v. FCC*, (171 F. 2d 826, 4 RR 2103 (1948)), in which the court affirmed our denial of one of two competing applications on the basis in part of the amount of time proposed to be devoted to sustaining programs. It appears neither logical nor in accord with the intent of Congress that we should be expected to attach considerable weight to such considerations in one context and to ignore them in another.

Other judicial decisions, including those of the U.S. Supreme Court, have further established this proposition. In *National Broadcasting Company, Inc. v. FCC* ((1942) 319 U.S. 190), the Supreme Court held that the Commission's functions are not merely those of a traffic officer regulating the traffic over the airways so as to prevent interference, but that the Commission has " * * * the burden of determining the composition of that traffic." In a later decision, the same Court stated (in a case arising out of a renewal situation) that:

"Although the licensee's business as such is not regulated, the qualifications of the licensee and the character of his broadcasts may be weighed in determining whether or not to grant a license" (*Regents of the University System of Georgia v. Carroll*, 338 U.S. 586, 598, 5 RR 2083, 2091 (1950)). [Emphasis supplied.]

Also, in the case of *Allen B. DuMont Laboratories, Inc. v. Carroll* (184 F. 2d 153, 6 RR 2045 (C.A. 3 1950)), another U.S. court of appeals held that a Pennsylvania State board could not censor television programs because Congress had preempted the area of broadcasting regulation. The court stated:

"The act itself demonstrates that Congress was vitally concerned with the nature of the programs broadcast as affecting the public good. It, therefore, dealt directly with the subject matter of the broadcasts which Pennsylvania seeks to regulate here. Congress thus set up a species of 'program control' far broader and more effective than the antique method of censorship which Pennsylvania endeavors to effectuate in the instant case * * *. Program control was entrusted to the Federal Commission and it is an effective one."

The history of administrative interpretations of the Radio Act and the Communications Act, which appears to have been concurred in by Congress since the act has never been amended to change it in these respects, supports this view. In 1928, the Federal Radio Commission conducted proceedings involving the renewal of the licenses of some 164 stations whose past operations it believed raised questions as to whether they were serving the public interest. Out of the 164 stations, 81 renewals were granted on the same basis as before, 26 renewals were denied and the stations were deleted, and the remainder of the stations surrendered their licenses. While engineering matters were involved, the type and character of programs broadcast were a dominant influence in deciding which stations should be deleted.

It was made clear in these and other Radio Commission pronouncements during this period that programing considerations were to be taken into account not only in determining controversies between stations but also where the only question involved was renewal. (See FRC Third Annual Report, Nov. 15, 1929, p. 32, et seq.) This interpretation of the act was not changed by Congress in enacting the subsequent Communications Act of 1934 and the various amendments thereto.

In 1952, section 307(d) was amended to eliminate the requirement previously expressed therein to the effect that the Commission, in considering applications for renewals of license, should take into account the same factors which it considers in original licensing matters. However, the Senate committee report issued in connection with this change makes it clear that the Commission was still expected to review a station's past programing performance. That report states (S. Rept. No. 44, 82d Cong., 1st sess., p. 7):

"It should be emphasized that while the recommended amendment does eliminate the necessity for the type of involved and searching examination which the Commission must make in granting an original license, it does not in any way impair the Commission's right and duty to consider, in the case of a station which has been in operation and is applying for renewal, *the overall performance of that station* against the broad standard of public interest, convenience, and necessity. This authority of the Commission is made explicit by specifying that such renewal grants are subject to findings by the Commission that the public interest, convenience, or necessity would be served thereby." [Emphasis supplied.]

This view is corroborated by comparison of section 307(d) with other sections of the Communications Act, particularly sections 303(j) and 325(b). Under section 303(j), the Commission is empowered to require stations to keep "such records of programs, transmissions of energy * * *," as it deems desirable. It is hardly conceivable that Congress intended to give the Commission power to require the keeping of records which we were not to use in our determinations. It is also perhaps noteworthy that the keeping of records of programs appears first in that subsection.

As to section 325(b), it provides that no program is allowed to be transmitted to a foreign station for rebroadcast if the signal of such foreign station is consistently received in the United States, without a permit from the Commission. The legislative history of this provision (which first appeared in the 1934 act) shows that its purpose was to prevent the dissemination within the United States (via foreign stations) of programs not meeting the standards laid down for domestic stations. It is inconceivable that the Commission should be expected to exercise such specific control over programs presented by this means and no authority to consider the overall programming of U.S. broadcast licensees.

In short, it appears that we are not prevented, either by the provisions of section 326 against censorship or by the first amendment guarantees relating to freedom of speech, from reviewing at renewal time (and in the absence of any competing parties seeking the facilities involved) the station's overall programming, and denying renewal unless it appears (either initially or after hearing) that the station's past programming and its proposals for the future indicate that its further operation would serve the public interest. In fact, a positive duty to undertake such consideration is apparent.

It is not necessary here to discuss the various reasons stated by the courts and others as to why a review for this purpose does not violate either the statutory or constitutional provisions mentioned. (See the *National Broadcasting Company, Bay State Beacon, and Carroll* cases cited, *supra*.) I simply point out that the review undertaken here, and any action taken as a result thereof, does not amount to restraint (either prior or subsequent) upon the broadcasting of any particular speech, idea, musical selection, or other item of broadcast material, or the use of a station's facilities by any particular individual. The Commission is properly concerned with the question of whether a particular station's program structure, including advertising, considered on an overall basis, fulfills the needs and interests of the community in which it has been licensed to operate.

The statutory phrase "public interest, convenience, and necessity" has at least two parts as applied to the listener. One part has to do with the technical excellence of the signal and its protection from destructive interference. The second part has to do with overall program fare offered to him. As to the former, even the most ardent critics of the Commission concede that to be a very essential and necessary function of the Commission. In the latter case the argument is frequently made that the public demonstrates its likes and dislikes by the receiver turn-off process.

The turn-off process argument has always seemed to me to be a fallacious one, especially where only one station gives primary service to an area or community. Certainly, to use an extreme example, if a radio played five records in turn continuously the public interest would not be served. The turn-off process would be useless. If, as a matter of principle, the Commission is powerless to take action in such a case it is reduced to impotence in preventing the public property from being used to abuse the public by monopolizing its receivers with monotony. In speaking to the Fourth National Radio Conference, Herbert C. Hoover, who was at the time Secretary of Commerce said:

"We hear a great deal about the freedom of the air; but there are two parties to freedom of the air, and to freedom of speech, for that matter. There is the speechmaker and the listener. Certainly in radio I believe in freedom for the

listener. He has much less option upon what he can reject, for the other fellow is occupying his receiving set. The listener's only option is to abandon his right to use his receiver. Freedom cannot mean a license to every person or corporation who wishes to broadcast his name or his wares, and thus monopolize the listener's set.

"We do not get much freedom of speech if 50 people speak at the same place at the same time, nor is there any freedom in a right to come into my sitting room to make a speech whether I like it or not. So far as opportunity goes to explain one's views upon questions of controversy, political, religious, or social, it would seem that 578 independent stations, many competing in each locality, might give ample opportunity for great latitude in remarks; and in any event, without trying out all this question, we can surely agree that no one can raise a cry of deprivation of free speech if he is compelled to prove that there is something more than naked commercial selfishness in his purpose.

"The ether is a public medium, and its use must be for public benefit. The use of radio channel is justified only if there is public benefit. The dominant element for consideration in the radio field is, and always will be, the great body of the listening public. * * *" [Emphasis added.] (Fourth National Radio Conference, pp. 6-8.)

It is clear from this brief review of the law that the Commission does have very definite authority and a corresponding responsibility with respect to programming subject always to the provisions of section 326. This section provides that:

"Nothing in this Act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication."

There are some people in the industry who believe the Commission should act as an electronic traffic cop of the airwaves. Perhaps they are correct, but Congress has never seen fit to enact legislation which would permit the Commission to recede to the safety of such a position. Believe me our task at the Commission would be far simpler if that were the law.

There is very audible opinion also expressed at times that any consideration of programming by the Commission is in its ultimate effect a limitation on the right of a broadcaster to exercise his full responsibility to the public for using his facility in the public interest, convenience, and necessity. Moreover, it is sometimes contended that such consideration constitutes prior restraint or censorship. To accept this doctrine would be to give to section 326 an overriding dominance which would disregard the statutory scheme.

It would seem that the solution lies not in selecting one section of the act for emphasis to the exclusion of other provisions of law, but of accommodating the Commission's regulatory authority to all of the provisions of the law. The Commission's policies would then strike a delicate balance between insuring itself that the traffic was well regulated and the composition of the traffic meets the needs of the public with the principle that the broadcaster has the primary responsibility to program his station in the public interest which the Commission must safeguard to him.

Almost from the inception of radio regulation efforts have been made to define the role the Commission should play with respect to programming and how it should exercise its authority. As I have stated, the Federal Radio Commission was fairly rough at times in handling this problem. See, for example, statement made by Commission on August 23, 1928, relative to public interest, convenience, or necessity in which it said:

"A station which devotes the main portion of its hours of operation to broadcasting such phonograph records is not giving the public anything which it cannot readily have without such a station." (2 FRC Ann. Rep. 168 (1928)).

At times it seems to me that we have completed the cycle, but in an art as ever changing as radio and television both in technique and substance it is a mistake to look back and take a statement out of context of the time it was made and give it general applicability without very careful consideration.

The last effort which was made by the Federal Communications Commission to define its policy with respect to programs and how it expected to exercise its authority and perform its duty was in 1946 when it published a document entitled, "The Public Service Responsibility of Broadcast Licensees," more commonly known as the "Blue Book." Although many of the policies contained

in the "Blue Book" probably apply today it no longer is considered a statement of Commission policy and is now out of print. In fact, I know of no place in which the policies of the Commission concerning programs are available. Generally, I suppose it might be said that in view of the number of stations on the air the Commission depends on competition between stations to protect the public interest together with a case-by-case method of dealing with overall program deviations from the public interest. Thus, broadcasters have no way of knowing how the Commission expects to perform its duty until the Commission acts, except for a few matters such as obscenity, lottery information, point-to-point communications, and the like.

It appears to me that one course the Commission could follow would be to ask the licensees to tell us in narrative form¹ the broadcast needs of the community they serve and to then explain how those needs had been and are to be met. The broadcaster himself is in a far better position to do that than anyone else, because after all it is his basic and primary responsibility to determine those needs and to serve them, whereas our only function in this area is to assure ourselves as best we can that he is carrying out his primary responsibility in order that we can conscientiously make the finding that he will serve the public interest which we are required to do by law.

This solution seems so simple and so basic that it is very difficult for me to understand how there can be any disagreement about it. So far as I know, no one at the Commission has the slightest desire to tell any broadcaster that he should or should not broadcast any particular program. It has been my observation that we all feel very strongly that the broadcast licensee should serve the public interest and that he should make an accounting to the Commission under the law for his stewardship of the public property committed to his care.

No broadcaster should ever feel that he is in a strait-jacket of any kind nor that his programming flexibility is fettered or his imagination is circumscribed. He should take seriously the burden and trust that the Congress has placed in him that he will properly exercise his privilege to serve all the public in his service area. How he is to do this is his problem, but that he must do it the law demands. Our problem is to determine whether he has done it and plans to continue to do it. For this purpose a form is provided for past and proposed operation which constitutes the record of a broadcaster. Against this we compare his performance by means of other reports called a composite week consisting of a different day of the week in each of 7 months which are specified after the end of each year.

We have about six employees who process these renewal applications at the rate of about nine a day so that about 5½ hours is spent appraising the past 3 years' operation and reviewing the proposals for the next 3 years, examining the files for complaints, etc. You can, therefore, see that no real examination is made unless this review discloses discrepancies and even then the broadcaster may be unaware of these discrepancies until they are called to his attention. Moreover, he may have been unaware of where he could have found Commission policy if he had desired to look.

It has been my view for a long time that it is highly unfair for the Commission to lie in ambush, so to speak, while practices are developing which violate its concept of the public interest, convenience, and necessity, and then make an example of an uninformed broadcaster. I believe, rather, it is generally our duty to inform the public through appropriate orders or reports of the criteria we expect to apply in advance of action against an individual broadcaster.

I would favor the Commission instituting an investigatory proceeding on programming on a community basis which would have for its purpose the determination of the best way under present conditions the Commission can carry out its responsibility under the law for the consideration of programming and determining that an applicant will serve the public interest, convenience, and necessity.

In such a proceeding all interested parties would have full opportunity to present their views. Out of such a proceeding I would hope there would develop a reasonably well defined policy whereby the greatest freedom would be

¹The present program section of our forms calls for statistical information which gives the Commission a picture of the overall programming operations and also makes provision for a voluntary narrative statement. Full advantage has not been taken by the licensees of this provision. Obviously, if this suggestion is followed, an enlargement of the renewal staff would be required.

assured the broadcaster in programing his station and at the same time the Commission would perform its function of protecting the public interest, convenience, and necessity with the minimum of interference to that freedom.

The CHAIRMAN. I will also include a letter from Mr. Burton Lane, president of the American Guild of Authors and Composers, and factual memorandum transmitted therewith regarding commercial influences in the selection and promotion of music for radio and television.

(Statements of FCC and FTC follow:)

AMERICAN GUILD OF AUTHORS AND COMPOSERS,

New York, N.Y.

Hollywood, Calif.,

October 29, 1959.

ROBERT W. LISHMAN, Esq.,

Counsel, Special Subcommittee on Legislative Oversight,

House of Representatives, Washington, D.C.

MY DEAR MR. LISHMAN: The American Guild of Authors and Composers, of which I am president, has a membership of more than 2,500 composers and authors of music residing throughout the United States. Because we are creators of a product extensively used in radio and television programs, we have followed with intense interest the recent hearings of the Special Subcommittee on Legislative Oversight. The practices of audience deception in broadcasting which has been revealed in the testimony adduced before your committee, is by no means limited to quiz programs. It has a counterpart in the promotion of music, and in musical products.

There is no doubt that commercial bribery has become a prime factor in determining what music is played on many broadcast programs and what musical records the public is surreptitiously induced to buy.

From reports in various publications, it is clear that some of the scandalous facts have come to the attention of both the Federal Trade Commission and the Federal Communications Commission. Yet, neither of these bodies has acted to protect the public or the authors and composers of music.

Enclosed herewith is a memorandum giving some of the material. It is only a small portion of the entire sordid story.

If you believe, as we do, that information of this nature should be considered by your committee, we shall be pleased to make ourselves and our files available to you.

Sincerely yours,

BURTON LANE, President.

FACTUAL MEMORANDUM REGARDING COMMERCIAL INFLUENCES IN THE SELECTION
AND PROMOTION OF MUSIC FOR RADIO AND TELEVISION

STATEMENTS OF FEDERAL COMMUNICATIONS COMMISSION AND FEDERAL TRADE
COMMISSION

On December 11, 1948, Billboard, a leading trade paper in the entertainment industry, reported:

"The Federal Communications Commission (FCC) has indicated that the payola proclivities of some diskjockeys may jeopardize a station's license. This information was brought to light as a result of an indie disk company's complaint to the Commission alleging that the diskery could not get its records played on certain stations unless the deejays were paid."

The article quoted the following statement attributed to a letter signed by FCC Secretary T. J. Slowie: " * * * if any station is receiving money from a record manufacturer in order to induce that station to play the manufacturer's records, it would appear that an announcement of such payment is required by S. 317 of the Communications Act which provides that all matter broadcast * * * be accompanied by an announcement that such matter is paid for or furnished, as the case may be, by the person making the payment."

On September 15, 1954, Variety, another leading entertainment business trade paper, reported:

"Payola has reached official governmental attention."

"A legal representative from the Bureau of Investigation of the Federal Trade Commission called at Variety's capital bureau to look up the 'payola' editorials, armed with a roundrobin complaint signed by a 'group of smaller writers and publishers.'"

The article also said:

"FTC investigator hesitatingly admitted that 'the allegedly illegal promotion of songs by record companies' was the basis of his probe."¹

On the other hand, another issue of Variety (Oct. 6, 1954) reported the following, concerning the FTC: "Memo to disk sales execs who may have been worried about the payola angles:

"According to the Kiplinger Washington letter, 'store clerks can now take push money from companies to push sales at their counters, under a new ruling by the Federal Trade Commission. Formerly FTC frowned on the practice because it 'deceived the public,' but now it's OK for manufacturers to pay clerks on top of store salaries for putting some extra pressure on behalf of the favored products.'"

DISCLOSURES IN TRADE PRESS, NATIONAL MAGAZINES AND MAJOR METROPOLITAN NEWSPAPERS, REGARDING PAYOLA AND CUT-INS OF BROADCASTERS

The October 1959 issue of the Atlantic magazine contains an article entitled "Radio Is Worth Saving," by William O'Halloren, news director of a major California broadcasting station. This article states:

"Sometimes the choice of which record will follow the commercial is determined by simple bribery. Record companies, desperately competitive to air their offerings for the malt-shop buyers, have simply been paying diskjockeys to use their releases. Vick Knight, president and owner of Key Records, told a convention of the Southern California Broadcasters Association that payoffs have grown high enough to force some record companies out of business. Knight said it was time the broadcasters started policing their own employees.

"The following day, a number of prominent diskjockeys throughout the country issued virtuous 'not me' statements. One such refutation came from a veteran Los Angeles radio personality. A couple days later an ad paid for by Knight appeared in the Hollywood trade papers. It said:

"DEAR AL: I'll take back what I said if you'll give back the money.

"VICK."

"So far there is no record of Knight taking back what he said."

Variety, on February 27, 1957, in reporting that Mr. Knight spoke before the Southern California Broadcasters Association, said:

"In his speech, Knight pointed out that cash wasn't always involved in deejay payola. In one case, he points out, deejays in a certain Midwest city were issued oil company credit cards, and the disk firm involved picked up the tab for batteries, tires, lube jobs, as well as gas and oil."

Cue magazine, in its issue of November 5, 1955, quotes diskjockey Bill Randle, of station WERE, Cleveland, and WCBS, New York, as saying:

"There are millions of dollars of payola every year. One well-known jock received a Cadillac which sat for several weeks in his garage. He hadn't yet learned to drive."

The article also quotes Randle in the following portion discussing diskjockeys acting as personal managers of recording artists: "Bill Randle used to 'have a piece of Johnny Ray' he told me, but no longer is financially interested in record artists."

Ira Cook, diskjockey of KMPC, Los Angeles, stated in a Newsweek article (Oct. 1, 1957), concerning the practices in regard to music in broadcasting: "It's safer than stealing, more legal than gambling, easier than loafing, and it beats working."

This same Newsweek article states: "Because of their power, diskjockeys are subjected to bribery, threatened with regulation, and accused of ruining the public taste."

¹ Regarding this FTC statement, it is pertinent to note that in a leading Supreme Court case involving the Federal Trade Commission (*Federal Trade Commission v. Keppel & Bro.*, 291 U.S. 304, 313 (1933)), the Court said: "* * * a trader may not, by pursuing a dishonest practice, force his competitors to choose between its adoption or the loss of their trade. A method of competition which casts upon one's competitors the burden of the loss of business unless they will descend to a practice which they are under a powerful compulsion not to adopt, even though it is not criminal, was thought to involve the kind of unfairness at which the statute was aimed."

In a letter printed in *Variety* of February 29, 1956, William B. McGrath, managing director of WHDH, Boston, said: "Having managed a radio station in the Boston area for the past 10 years, and featuring during that period a program format which has included a large percentage of music, I certainly have been aware that a 'payola' situation exists in this city." He also said: "If a distributor orders 1,000 copies of a particular record, he may receive 1,300 at no additional charge. The income from the extra 300 records (\$150 if the records are sold at 50 cents each) is available to encourage diskjockeys to feature this record on their program. Some diskjockeys are not paid as much as others and this becomes an attractive source of income. Some record manufacturers and the middlemen have accepted the 'payola' system as a necessary evil to get a predominant hearing of their product. Since WHDH is the most prominent music station in this area, many of these people—certain record companies, certain middlemen—assume that the money being allocated for such an unhealthy practice is being siphoned into the hands of WHDH and its performers. I would like to state that this assumption, whenever made concerning WHDH is unfounded and denied.

"Cooperative steps necessary to destroy this practice should be taken by the industry. The 'payola' is an incipient disease which is undermining the best interests of radio, its performers, the record companies and all those associated in the popular music field. It takes from the radio audience the right to determine what shall be properly heard and places in the hands of a few self-seeking individuals the destiny of determining not only what the public shall buy as a record but what performers shall be successful because of their constant and often unwarranted exposure to the listening public.

"The last few years have produced some pretty poor examples of good music. Perhaps one of the basic causes is the fact that the less attractive records can only receive a generous hearing if some people who are in a position to put them on the air are also treated generously."

On January 13, 1951, *Billboard* wrote that: "By universal agreement in the music trade, the payola situation is at its worst among the rhythm and blues spinners," and: "Who pays whom, and how? The distributor is in the main the one who carries the brunt. In the home area, the manufacturer pays the local jockeys direct, either in the form of regular monthly stipends—usually \$25 or \$50—or flat payments for drives on single records. In the hinterlands, where an active diskery may have 30 or more distributors, the distributors do the dirty work. They may pay off in a royalty on each record sold in the area, in regular 'salaries,' or, in case where the local jockey is also in the retail record business, in boxes of platters. The home office usually has to pay a good part of this expense, either in free records, a better discount to the distributor, or sometimes in cash.

"One r. and b. manufacturer estimates his payola cost as follows: He pays two New York spinners monthly \$25 each, and one \$15. A Newark spinner gets \$25. In Philadelphia, two jocks get \$15 per, a third gets \$25. In Pittsburgh, one gets \$15. His distributor in Washington gets 150 free copies of each record, in return for which he buys local air time. In Detroit he pays \$10 for a specified drive on a given record."

The article also states: "A large city is in the tight clutch of a leading r. and b. jock. He owns several retail disk stores, is programmed on several stations, is on the payroll of every r. and b. distrib in the city. He gets 200 copies of every record he spins, thereby stocking his shops very, very cheaply."

Variety, in its issue of February 23, 1955, reported the following statement of Robin Seymour, diskjockey of WKAH, Dearborn, Mich., concerning charges of a group of 16 diskjockeys: "Seymour admitted to the jocks at the meeting that his wife, listed under her maiden name of Mary Jane Schweitzer, owned 7,350 shares of the 20,000 shares in Arc."

The article describes Arc as a distributor for the Detroit area of records manufactured by four record companies. (A record distributor is a wholesaler supplying retail record shops.)

The charges of the 16 other diskjockeys were reported as follows in the February 16, 1955, issue of *Variety*: "The 16, who have formed the Detroit Disc Jockey Association, charge that the [record] labels are paying two spinners in the area to give their records preferred treatment," and: "The 16 said monitoring of the pair's programs over a 2-year period shows that the banned labels comprised a majority of the records used, way out of proportion to their popularity."

In its November 5, 1952 issue, Variety reported, concerning Philadelphia radio stations, that payments ran from \$50 to \$100 weekly to several diskjockeys in that city. The article attributed the variations in amounts to questions of when the diskjockey involved was on the air and what the extent of his influence was.

Martin Block was once described by the New Yorker magazine as the Nation's foremost diskjockey. He currently appears as a diskjockey on WABC, New York. In 1945 he entered into a contract whereby he received \$48 for every network performance of certain songs. Another contract provided an advance payment of \$12,000 to Block's publishing firm.

The August 31, 1959, issue of Broadcasting magazine tells the following specific incident:

"At the other extreme is the record plugger who, according to President and General Manager Robert M. Purcell, once walked into the program director's office of KFWB Los Angeles with this proposition: 'I want your "pick tune of the week" and here's a check for \$1,700, which I'm told is your price.' When the program director refused, the promoter tried to be understanding. 'Okay,' he said, 'so you've got your tune picked for this week; I'll take next week. Or the week after.' Continued refusal left the promoter nothing to do but depart, shaking his head."

In 1950, Billboard wrote: "Morals aside, many of the spinner clan have had a taste and like it. It becomes more and more difficult to control them, even with a bankroll, because the next disk man or pubber is paying and romancing too. Practically speaking, the music industry is now in a bind of its own making, and it doesn't know how to get loose."

In 1956, Variety had a series of editorials for several weeks entitled "Corruption in the Music Business." One of the statements in these editorials was: *** it is also true that this connivance and skulduggery, in the guise of music biz enterprise, has made a large segment of show biz kin and party to a gigantic corruption. It's a contaminating influence and the sharpshooting and chiseling has gone beyond the realm of sound American enterprise."

Additional feature coverage of the corruption in the music business relationship to diskjockeys appeared in a 1957 series in the Chicago Daily News and the Detroit Free Press and, in 1956, in another series of articles in the New York Daily News.

NETWORK PROMOTION OF RECORDS AND ARTISTS OF THEIR OWN RECORDING COMPANY AFFILIATES

NBC, in its currently pending application for renewal of television station WRC-A before the FCC, stated (exhibit IV-6) :

"During the last license period occasional 10-second and 20-second announcements were broadcast to advertise two Broadway musical productions in which applicant has a financial interest and certain broadcast rights. These announcements totaled less than 3 minutes per week during the course of these advertising campaigns which have not been completed. Applicant may engage in similar campaigns in the new license period."

Another form of NBC promotion of RCA records and artists is disclosed by RCA-Victor's interoffice correspondence of 1949 and 1950. One of these letters, addressed to Frank M. Folsom, who was then president of RCA, stated:

"DEAR MR. FOLSOM: The following is a résumé of the promotions on 'Mindy Carson' that were contributed by NBC and our own publicity department.

"1. NBC has had 'Mindy Carson' on the air from three to five times a week for over a year.

"2. NBC has had 'Mindy Carson' appear frequently as a guest artist on various television shows.

"3. WNBT had a 'Mindy Carson Day' at which time she appeared on shows throughout the day. While she was not appearing, her records were being plugged."

In a letter addressed to Dennis Day, dated June 1, 1949, RCA said:

"DEAR DENNIS: I thought you would like to know that in accordance with the suggestion in your letter of May 9, RCA Victor is planning an outstanding promotion campaign in connection with your tour of personal appearances scheduled for July. As soon as the details of this campaign have been completed, I will let you know about them.

"In addition, the National Broadcasting Co. is planning on cooperating fully in this promotion and I would like to outline to you the program they have in

mind. Where NBC owns a station in the cities you will visit—as in Chicago, Cleveland, and Washington—this program will be handled directly by the publicity staffs of those cities; and a representative of the NBC press department will be sent from its New York headquarters to the other cities on your itinerary where NBC has an affiliated station, about 3 weeks in advance of your arrival, to work out with the affiliated station the details of your visit and to supply the local press with photographs, press stories and publicity material."

The background of this letter is revealed by the following RCA interoffice memo, dated May 20, 1949:

"Mr. Folsom is concerned about the possibility of Dennis Day's going with Columbia and, therefore, he wants an outstanding promotion job wrapped up for Dennis Day. He is asking Mr. West to tie in what Victor is doing with any plans you may be able to develop for Dennis Day."

CBS likewise utilizes its broadcasting facilities to sell its records and promote its recording artists.

The November 27, 1954, issue of Cash Box, a trade paper primarily serving record dealers and jukebox operators, the following was reported:

"A television shot making correct use of a record has caused a new sensation in the music business.

"Last Monday, November 15, 'Studio One' staged a TV play called 'Let Me Go Lover,' a murder mystery involving a diskjockey. Played throughout the show was a Columbia record of the title tune by Joan Weber. The record was heard six times during the hour-long program and the results as far as sales go were felt in the stores the very next morning. In addition CBS was flooded with phone calls asking where the record could be purchased, diskjockeys all over the country were receiving requests for the tune, and dealers were being swamped with orders from the many viewers."

Following this, there was a succession of other CBS-Columbia Records tieins as reported in Cash Box of January 1, 1957:

"Mitch Miller, Columbia Records A. & R. chief, follows his favored and successful pattern, in recording his new release.

"Miller's latest disk is the theme song of 'Song for the Ninth Day,' a TV play that was nationally viewed on 'Playhouse 90,' Thursday, January 10, over CBS."

In Billboard of October 29, 1955, a similar promotion of CBS was described as follows:

"Video kickoff of a new waxing, pioneered with profit in the pop field, is due for a major trial in the kiddie arena later this month, when a simulated recording session on a CBS-TV show will call attention to a new moppet waxing available in retail stores the following day.

"Show is the Sunday airer 'Let's Take a Trip,' which on October 30 will be devoted to a junket to Columbia Records' 30th Street studios here. The diskery's children's chief, Hecky Krasnow, will be on hand and incidentally will direct the 'cutting' of a platter with 'Trip' emcee Sonny Fox and guests, the record to be the theme song on the TV seg.

"This promotion is only one facet of a stepped up program of the diskery's children's department, which involves the signing of new talent and the launching of new disk series."

This method of promotion was announced by Columbia Records in various advertisements. On December 14, 1957, Columbia advertised in Cash Box, saying:

"EXTRA EXPOSURE

"When best selling artists appear on television, additional sales possibilities increase greatly * * *."

This advertisement promotes a song as being from the Kraft TV Theater production "The Sound of Trouble." Another Columbia advertisement of a song recorded by Columbia artist Jill Corey (Cash Box, July 27, 1957) claims:

"Ever since Jill's original rendition of 'Love Me To Pieces' lifted the lid off the CBS Television 'Studio One Summer Theatre' production on July 15, we've been swamped with orders!"

In Cash Box of September 14, 1957, Columbia Records advertised a record performed by Mitch Miller, as follows:

"On September 18, Mitch will personally conduct the national premiere of 'The Bowery Grenadiers' on the eagerly awaited CBS Television Show 'The Big Record' * * *."

RELIABILITY OF MUSIC SURVEYS

The Cue magazine article mentioned above (November 5, 1955) says:

"Practically all of the local jockeys play the allegedly best-selling recordings, the so-called 'Top Ten,' plus the next 20 or 25. They pay close attention to the charts, the listings of most-played and most-purchased records which appear in trade magazines like Cashbox, Billboard, and Variety. The view that these charts are somewhat unreliable is widely held, and there is evidence that the charts can be manipulated, as outlined below, despite the vigilance of the editors.

"A record manufacturer or a music publisher can get his current products listed by influencing diskjockeys and jukebox operators located in key cities throughout the country to include their record (or records of their songs) in the lists submitted weekly to the trade publications. While it is a virtual impossibility for a weak song to crash the 'Top Ten,' many a recording that deserves dismissal by these supposedly unbiased observers ends up on the charts."

This same situation is described in an interview of the Chicago Daily News with Mort Hillman, a Chicago record company executive. That article says:

"Do you think 'Schlops' is really No. 4 in Indianapolis? Of course not. Indianapolis never heard of it. But maybe the jockey down there is a friend of mine. To do me a favor he'll list it."

"This is known as 'vote gathering,' and its effects are felt throughout the whole industry. No matter how big or small his label may be no record company executive can afford to ignore these rigged polls.

"The hope of the small operator like Hillman is that other diskjockeys across the country will notice the obscure listing in Indianapolis and 'hop on' the tune. This means he will give it 'plays,' and without plays by a DJ no record can hope to crash through, regardless of quality."

A leading New York record store has disclosed that publishers have used various devices in dealing with the store whereby music polls have been rigged. Among these devices are the offer of outright payment to the proprietor of the store for falsifying reports to the trade press representatives regarding sales of current records, with a view toward misrepresentation in favor of that manufacturer's own records.

The store has also encountered instances of youngsters being paid by record manufacturers or distributors to appear at the store as if they were regular customers asking for and purchasing certain manufacturers' records.

An article in the October 12, 1959, issue of Broadcasting magazine reports an independent scientific study of the music preference of its radio audience by Seattle station KING. It tells of a comprehensive musical survey supervised by the director of the Washington Public Opinion Laboratory. The article states:

"The results clash head on with popularity charts based on record sales and jukebox plays.

"Those 'top 40' that holler and honk are far out all right—almost out of the voting—fifth place out of five popular music categories. * * *

"Loud stuff was so far down in the voting that KING announced October 10 it won't spin the hot R. & R. records any more."

The CHAIRMAN. I will not ask that the editorial referred to be included, because I understand the situation at this time.

We will include in the record a letter which I have from the American Civil Liberties Union, directed to the subcommittee.

(The letter referred to follows:)

AMERICAN CIVIL LIBERTIES UNION,
Washington, D.C., November 5, 1959.

Representative OREN HARRIS,
Chairman, House Special Committee on Legislative Oversight,
House Office Building, Washington, D.C.

DEAR MR. HARRIS: During the course of the investigation of television quiz shows, several persons have compared these much-publicized hearings with certain security-and-loyalty hearings conducted by other congressional committees in the early 1950's, and urged the American Civil Liberties Union to condemn the recent proceedings for violating civil liberties. We have refused to do this because the House Special Committee on Legislative Oversight is investigating

an area in which Congress has every right to legislate, the efficiency of the operations of certain executive agencies—the Federal Communications Commission and the Federal Trade Commission. This investigation is unlike the other committees' investigations, which were concerned with political beliefs and associations, into which we believe Congress has no constitutional authority to intrude. Moreover, the committee's hearing procedures, by inviting persons named in testimony to testify, holding executive sessions at the request of witnesses whose testimony might defame themselves or other persons, and allowing witnesses in public session to make complete statements, are a marked improvement over the earlier investigations.

However, we do want now to raise the question of whether any valid purpose is served by continuing the hearings. The testimony of Charles Van Doren and others has made abundantly clear the scope and method of rigged quiz shows, and it would seem that the committee has adequate information on which it may wish to propose corrective legislation. Though additional information doubtless might be obtained by further hearings, the multiplication of testimony might lead to the conclusion that public exposure and punishment had become the motivating force behind the committee's probe. We emphasize that the committee members have until now been quite careful to avoid creating this impression, but a lengthy extension of the hearings might tarnish the record.

With respect to the legislative recommendations the committee may eventually make, we urge that thought be given to ways in which the authority of the Federal Communications Commission can be generally strengthened in the area of checking a station's performance in the public interest. We agree that in making this evaluation great care should be taken to avoid policing of stations' programming which can lead to Government censorship, but we believe that a continuing demonstration of real FCC concern for whether a station's programming really meets the public interest would serve the civil liberties end of wide and varied discussion of serious subjects over the air.

We respectfully request that this letter be placed in the hearing record.

Sincerely yours,

(Signed) Patrick Murphy Malin,
(Typed) PATRICK MURPHY MALIN,
Executive Director.
(Signed) Thomas R. Carskadon,
(Typed) THOMAS R. CARSKADON,
Chairman, Radio-TV Committee.

Signed in the absence of Mr. Malin and Mr. Carskadon.

The CHAIRMAN. I have a number of wires which I have received, and which have requested inclusion in the record.

The subcommittee decided heretofore that anyone who may become a witness or who might appear, who desires to appear, or who merely wants to make a statement as a witness, should not be included without an opportunity to interrogate the witnesses, or unless a deposition was taken.

I do not feel that innumerable wires I have received from people who could very well have been witnesses here should be included, for that general feeling.

This concludes the hearings on this phase of our investigation. That is, the quiz shows.

I have heard enough of this type of operation. I am convinced that some corrective action is necessary.

The industry has already announced action that it is taking. I am hopeful we will also have similar action in whatever field of responsibility and authority they have, if any, from the Federal Communications Commission.

I am also impressed, as other members of the subcommittee, that corrective legislation is necessary. The admitted acts and other information which we have developed here leads me to these conclusions.

These hearings have disclosed a shocking situation. Millions of Americans were tricked, deceived, and duped willfully and deliberately in what was nothing more than a sordid commercial scheme conducted over the Nation's airwaves.

The conduct and morality of the entire television industry, in my opinion, has been challenged.

Although we are concluding the hearings on quiz shows, recently developed information, as has been referred to this morning in the hearings, leads us to conclude that further practices in standards of television also deserve scrutiny, and we intend to give them such scrutiny.

The staff is being instructed to proceed with such information as might be developed in those phases of the broadcasting industry.

I would like to say also that both the press and the mail which this subcommittee has received, and is now receiving, shows a greater spontaneous outpouring of approval of this work than I think we have had in our experience.

It takes only the most casual reader to know that the public interest in this matter is quite intense, and just to glance at the mail arriving daily overwhelmingly confirms this, the wires and all the other communications.

Millions of Americans have direct personal stake in television which comes into their home and which helps shape the values of their children. They have shown their intention. They expect their elected representatives to keep careful watch over this medium of communications and, through this subcommittee, it will be done.

I should like also to make it clear that this subcommittee has never intended to infer that all quiz show contestants were parties to a fraud. There were many shows that were completely honest, from our investigation, and even on rigged quiz shows some of the contestants were wholly innocent of deceit.

We do not intend and do not desire that these people will be implicated by inference, but we do want to make it very clear that those who were participants and who willfully and flagrantly entered into such schemes of deceit and deception should have been brought to light.

The subcommittee is going to recess this session of its hearings. I am very grateful for the members of this subcommittee who have come here and spent these days, again, in this matter of public interest.

I know that many of them, if not all of them on this subcommittee, have had to sacrifice their time in order to come here and assume this responsibility.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent to insert three or four communications in the record. I came into possession this morning of two of them.

If I may, I would like to ask unanimous consent that they be included in the record.

The CHAIRMAN. Is there objection?

The Chair hears none.

It is so ordered.

(The material referred to follows:)

WASHINGTON, D.C., August 18, 1952.

"THE BIG PAYOFF,"
National Broadcasting Co.,
New York, N.Y.

GENTLEMEN: My husband and I and three children will be attending the American Legion convention, arriving in New York on Saturday morning, with reservations at the Henry Hudson Hotel.

We would appreciate tickets for admission to your program (naturally, preferably Sunday night). I believe my husband will be a good candidate for a contestant. My children, 8, 10, and 12 years old, discuss continually their ambition to visit Texas where my husband was formerly Director of Veterans' Affairs, a State where they have never been. They have no ambition to visit the Isle of Capri or the sunny shores of France, but in view of the fact that my husband has just spent 3 months in the hospital and the doctor says he should go away and recuperate to rest from his present position, which is Coordinator of Veterans' Affairs for the District of Columbia, we would appreciate an opportunity for appearance on your program.

If you have any encouraging news, please notify us any time after Saturday noon, Hotel Henry Hudson, New York City.

Sincerely yours,

HELEN LEONARD
Mrs. Waldron E. Leonard.

—
"THE BIG PAYOFF,"
New York, N.Y., October 15, 1952.

Mr. WALDRON E. LEONARD,
Groveton Station, Alexandria, Va.

DEAR MR. LEONARD: The letter which you sent to Mr. Walter Framer, together with the enclosure which you state is a copy of a complaint you intend filing with the FCC, has been turned over to me. I was one of the men who interviewed you when you attended "The Big Payoff" in August, and Mr. Framer felt that I would be more familiar with the facts than he.

I well remember the circumstances of your appearance on our show. It was a matter of extreme regret to us that you were unable to answer the question asked you, but we never fail to make it clear that "The Big Payoff" is a game and that in a game some win and some lose.

I recall my interview with you. It was identical in every respect with the interviews given every prospective contestant. I recall having spoken to you about your work and your background. I also recall that I told you your first question would be to identify a popular song and that following that questions asked of you would be on a number of subjects. It is my practice to name a number of categories into which our questions fall, but I never, and there is no exception to this, tell any contestant that he will be asked questions in any specific category. This promise was not made to you.

However, I do recall that during my interview with you you did your best to impress me with the fact that "The Big Payoff" would receive an impressive amount of publicity if we would arrange for you to win the mink coat and trip to Paris for you and your wife. You went on to point out to me that you were so well-known in Washington that it would be very much to our advantage if such an arrangement would be made. I remember replying to you that I wished you luck and that should you win those prizes we would be very happy for any publicity received.

I am certain that there is nothing but coincidence in the fact that you were asked to remember "the Statue of Liberty." This no doubt pertained to some fact Mr. Paul wished to bring out in the interview he had with you prior to your being given the opportunity to answer questions. It is quite possible that he was pressed for time and was unable to question you about "the Statue of Liberty" in your interview. It is, of course, regrettable that you assumed we were giving you a hint to enable you to answer the question which you failed to answer, and that you mentioned the statue rather than Florence Nightingale as the answer to the question. Furthermore, a recheck of the question shows it to have been properly phrased.

I trust that this will clarify for you any questions pertaining to the operation of "The Big Payoff," especially those that pertained to your appearance on the program.

Sincerely yours,

JOSEPH GOTTLIEB,
Associate Producer.

P.S.—If you had written to the National Broadcasting Co. for tickets to "The Big Payoff" rather than to Columbia Broadcasting System, your tickets would have reached you on the day you requested.

ALEXANDRIA, Va., October 16, 1952.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C.

GENTLEMEN: I am somewhat familiar with some of the responsibilities of the Federal Communications Commission and certainly believe that the misleading facts on radio programs causing many innocent people to believe that the programs are legitimately operated is one in which the Commission could do a great public service.

Misleading the public on their opportunities as outlined in the lengthy enclosure certainly appears to me to be a fraud when they solicit participants over the broadcasts. Misleading the public as to how individuals are selected and the type of merchandise they receive is certainly, in my opinion, a fraud.

Since dictating this lengthy statement of my family's and my experience, we have received certain merchandise, not the merchandise that was shown on the television or anything comparable in price. The dressing gown which was mentioned as a very exclusive number, and was very pretty, turned out on arrival to be a piece of material worth about \$5. The beautiful suede gloves mentioned could be purchased most anywhere for \$1 or \$1.50.

I might call attention to the fact that the participants are required to sign a release and all this is done in a dark theater. I did observe a portion of the release states that they will not necessarily send the merchandise displayed and substitutes are permitted. Of course, the substitutes are of an inferior grade to that shown.

To conduct a raffle or any game of chance, I am sure would be objectionable to the Commission. If this program is not more misleading and a cheat to the public, in your opinion, then, I presume no action can be taken. I am writing you as a public service. I have notified and sent a copy of this statement to the Walt Framer Production and requested them if I was in error in any part to so correct it and I would submit this information with my correspondence.

Sincerely yours,

WALDRON E. LEONARD.

PERTAINING TO PARTICIPATION OF MR. AND MRS. WALDRON E. LEONARD ON TELEVISION NBC PROGRAM "THE BIG PAYOFF" SPONSORED BY COLGATE-PALMOLIVE-PEET CO.

Prior to attending the American Legion convention in New York City during August, I addressed a letter to "The Big Payoff," Columbia Broadcasting Co., New York City, requesting tickets to observe the broadcasting and requested, if possible, an opportunity to participate. Due to the lateness of my request, I asked that the tickets be mailed if available to my hotel in New York City.

On arriving in New York City no news of my request was received and, on Sunday night, August 24, between 5 and 6 o'clock, I called the National Broadcasting studio and after telling the operator of my desire, they transferred me to what in answering the phone they referred to as "Walt Framer's Production." I made my request by phone for attendance at the program on Sunday night and was told to report at the stage door, 209 West 41st Street; not to get in line, but to inquire for a certain gentleman who would see that I was placed on the program that evening.

On arrival at the stage door with my wife and three children, I was escorted by elevator where I inquired for the person I had been instructed to ask for. There seemed to be considerable confusion and among others a gentleman by the name of Mr. Framer, who introduced himself, told me a similar circumstance had occurred previously; that they had no such employee; it apparently was a

fraud. When I became incensed over this statement, he volunteered to place me in excellent seats in the audience and that I would hear from them the following Tuesday or Wednesday and arrangements would be made for my participation on the program. We cooperated, returned to the hotel and followed instructions, one remaining in the hotel all day Tuesday; received no message, and on Wednesday morning at the desk in my hotel was an envelope dated August 25, 1952, New York, with Walt Framer stamped as a return address in the left-hand corner; inside 5 tickets designating the program as "The Big Payoff," sponsored for a mink coat quiz and dated for Monday, September 1, 1952, stating doors closed at 2:40 p.m.

I called NBC and was referred to the studio, explaining I expected to hear before; also that I understood I was to be on the program early in the week and did not expect to be in New York after the convention, which business concluded August 28. I was transferred and talked to a Miss Singleton. She stated she would check into it and call me back. I explained we had remained in the hotel Tuesday awaiting a call. She said she would leave a message. At 11:20 a.m. on Wednesday, August 27, Miss Singleton left a message at my hotel: "Please call." On receiving this message, I called and was informed that I should report at 12 o'clock the following day, Thursday, August 21, at the stage door, 209 West 41st Street.

On arrival there I found other people sitting in the back where I was directed. A lecture commenced immediately by a gentleman identifying himself as of the Walt Framer Studio, explaining their program, and that we were to participate on their show that afternoon, known as the "Big Payoff," which started at 3 p.m. He did not attempt to say why we were selected, but did say we would not be humbled as in some programs by squirted seltzer or thrown pies; that we would be treated as ladies and gentlemen; not be embarrassed by questions of which we had no knowledge, such as "we would not ask you a complicated medical question unless you were a doctor or a student of medicine." Further he stated, "You will soon be interviewed as to your educational background, as to what category you prefer or have had experience in." He went on at great length to say that we would receive some merchandise and with a favorable showing such would be falling into our homes for months to come and in an amusing attitude referred to it as Christmastime, etc.

After this lengthy lecture we were called individually to an interviewer in front of the theater (the theater being empty at this time with the exception of models rehearsing on the stage). In this interview I was asked my educational background, my business affiliations, what I preferred to discuss in the way of questions and answers which I felt I was familiar with. I stated that in World War I I had left high school to enter the Army; that my work was pertaining to public relations in veterans' affairs; that I had suggested previously that complicated questions of an educational nature would certainly place me in an embarrassing position; that I would ask no favors, but I hoped it would be as I had been told something in line with current events or in a musical category. He stated the first question would be a musical question and the following would be as I requested pertaining to current news events.

After this interview, my wife and I were requested to go to another interviewer in which he reviewed what was to be discussed. I outlined three categories of why I thought my wife should be entitled to the "Big Payoff" and he accepted the one regarding my hospitalization and confinement sitting at home. He asked, putting words in my mouth, as to how cranky I was and said this would impress the television audience, especially the wives who had gone through similar experience. We then slightly rehearsed as he wrote on the card in the one, two, and three category. He stated he was looking for a punchline. Then the gentleman who had been doing the lecturing stood talking with me and he remarked that he did not think he could find a punchline and perhaps he did not need one to refer to Mrs. Leonard.

He then talked to Mrs. Leonard about the children's visit to New York. She told him of the various places of interest that had been visited and finally information about the Statue of Liberty. He repeated several times "the Statue of Liberty" as if important. The interviewer was the master of ceremonies, Ralph Paul. After considerable discussion we were taken to the stage and rehearsed at the entrance as to how we should stand, etc. We were excused to return at 2:10 p.m.

After luncheon in a nearby drugstore the children and I returned by the stage door of the same theater where several new people were seated. In the meantime we were told, as were all the contestants, when we got back into the theater

not to sit close, but to scatter so that it would not look suspicious. The usher placed us close to the second couple and I called his attention to it and he found another location. At approximately 2:30 people were still entering the theater. The gentleman stepped before the audience and explained the program; read a letter or two which he stated he had received in the mail; asked if either of the people were present or had used his ticket on this day (which was silly in view of the fact that the tickets were dated); and lectured on as to how the participants were selected from the audience and called attention to certain vacant seats to his right reserved to invite those in the audience that were selected to participate and after a lecture on honesty and good showmanship proceeded to select approximately 15 or 20 couples, having them introduce themselves when they stood up and sending them over to the empty seats along with those of us who had been given previous instructions. They were told they were to be interviewed for the program, etc.

Shortly before those who had rehearsed were to be taken back stage, I was handed two sheets of mimeographed paper. The lighting naturally in the theater was not the type by which to read lengthy mimeographed material, but it appeared to be a release because I noted in a paragraph something to the effect that the material as demonstrated and won by the participants could be substituted. In less than 60 seconds after this was handed to me and my signature required on each copy, it was picked up with little or no opportunity to read the details. I was taken behind the stage with the others. In the meantime I was asked if time got short if I could return the following day. I stated I could.

One of the three participants apparently was not using up the entire time with the announcement. Just before being placed on the stage for introduction, one of those who acted in an official capacity in instructing and dictating the action of the participants rushed up to me and stated: "You know the Kate Smith song 'When the Moon Comes Over the Mountain, etc.,' take your time, don't answer quickly, you have plenty of time, stall, that's your first question." I was placed on the platform and introduced and the announcer said, "My time has expired, can you come back tomorrow, etc." Of course, this was before the audience.

The following day I returned to the theater after being told before I left I need not return until 12:45 as I had instructions. I returned on August 28, Thursday, about 12:30 through the same stage door with the three children and wife. I sat away from the other participants that would take part that time and to whom same instructions were being given that I had previously had that the lady folks, especially when the man answered the questions, should show enthusiasm. This was covered up by saying just act natural, like crossing your fingers, hop up and down, and throw a kiss to your husband who is trying to get the "Big Payoff" for you.

After this I was called down in front before the interviewer who had mentioned to me what should be the first question and answer, but he was not the same one that had interviewed me in this portion of the program the day before. He just stated the question will be the same today as it was yesterday. I asked if it was understood as it was yesterday that this was to be in the category of current events, my work and experience, He stated: "You are going to get along swell" and told me not to worry as they had told me they would give me the category in which I was most likely to be familiar.

I was again interviewed by Mr. Paul and he went over the card on which he had made notes, expressing especially, "Don't forget your visit to the Statue of Liberty." After this we went to lunch, the same as before. After two we entered through the same stage door and were seated as previously, the same instructions prevailing. The same manipulation in taking from the audience and again the rush and the signing of the two papers. The ones that had been rehearsed that day were as before taken behind the stage.

He stated in view of the fact that they had a Legionnaire on that date it would be evened up and I would be on third with Mrs. Leonard. His promise was carried out and the procedure as rehearsed commenced. The lady demonstrated the fur coat and one of those who featured in the participation, Bess Myerson, stood by me with the master of ceremonies, Ralph Paul, pretending to show me so far as the audience was concerned what I could win for the wife. After which Mr. Paul, who was standing beside me in the picture, I presume asked the question why I wanted the wife to have the "Big Payoff," etc. etc.

During my statements the wife was brought in the front and seated on a chair and I was taken over to answer the questions. The first questions as I was told

was a musical number, "When the Moon Comes Over the Mountain." I followed instructions and stalled and stuttered on the word "shines" instead of "comes" until the audience, I presume, was confused as to my knowledge of the song. Then, of course, the camera got my wife who was supposed to be tickled over my intelligence in being bright enough to know such a number, and then the camera came back to the master of ceremonies and myself.

The second question was: "In one of Henry Wadsworth Longfellow's famous poems it referred to a Lady with a Light. Who was this Lady with a Light?" Remembering how they bore down on the Statue of Liberty in conversation, and still not being able to connect thought with the days of Henry Wadsworth Longfellow, not being familiar if such a statue had existed in some country where Longfellow had visited or attended school, the only answer I could think of was the Statue of Liberty. Of course, I got the reply, "But it was Florence Nightingale."

With millions of people watching the television, I was terribly embarrassed to express such and felt that I had been cheated and belittled as much as anyone could be under the circumstances. Being cheated with dice, at least one has an opportunity to look at the dice; in cards, one can at least cut the cards and perhaps change the deck. In every game with the exception of this one, one participating has at least some chance. I neither asked nor solicited any favors. I asked the category because we were told that this was permissible. I participated in the program on an invitation which is extended to all citizens over their program daily as well as Sunday nights that one is to write requesting such participation.

In the meantime, I did receive an invitation from a letter written at the same time from Washington to participate in another program. I did not remain in New York for this program because I felt the embarrassment I had experienced was sufficient at least for the time being.

My wife and three children of school age stood throughout this ordeal. They were not only disappointed, but embarrassed. After the program, which started at 3 o'clock and ended up at 3:30 we were so disappointed that we went to the hotel and checked out and returned to Washington.

I want to point out that the first question answered does entitle Mrs. Leonard to a pair of shoes and I believe gloves and negligee. This we were told will be received in 4 to 6 weeks.

I have never been involved in such a matter, never been accused so far as I know of participating in other than honest and fair projects.

There is enclosed a photostat copy of the poem (which title was not given) I presume was referred to that I could not answer. I see no reference in this wording referring to Florence Nightingale. I certainly see no significance in this poem with current events. There is also enclosed a photostat copy of a letter received at the New York Hotel, as well as the message from Miss Singleton.

ALEXANDRIA, VA., October 20, 1952.

Mr. JOSEPH GOTTLIEB,
Associate Producer, "*The Big Payoff*,"
New York, N.Y.

DEAR SIR: I have before me a photostat of the letter I wrote you on August 18, 1952, addressed to "The Big Payoff," National Broadcasting Co., 30 Rockefeller Plaza, New York, in which I requested tickets. I don't think it was fair that you should put a postscript on your letter in effect that the request was sent to the Columbia Broadcasting Co. simply because you noticed that a typographical error was made in my letter, but you can see that CBS was rubbed out and NBS put in.

In my letter of August 18 which I have before me it was stated, "We have no ambition for the sunny shores of France," and it seems ridiculous that with this in writing, which I presume you have, at the same time you would say in your fourth paragraph that I was interested in arranging a trip to Paris, and no remark was made whatever to impress you in the interview. When you tried to give me a pep talk on how necessary it would be for my wife to have a fur coat, I told you frankly that if my wife wanted a fur coat, I would buy her one, and I would be very satisfied if I could answer a few questions.

Of course, you asked me my position in Washington, background, etc. I don't think I did any bragging and told you frankly I wanted to be addressed as Mr. Leonard and not Colonel Leonard, and while I was active in civic organizations,

etc., that I thought that had nothing to do with the program, and you said you were just trying to get a background.

It seems you have a habit that cannot be corrected of certain admissions, because you do not deny a frameup and dozens of other things I mentioned. The only thing you took exception to was the fact that you did not tell the contestants that they would be given a category with which they were familiar.

Of course, you know that I was taking the names of the other contestants and their addresses when we were sitting around in the studio and you were so disturbed about this that you were debating very much with other employees about whether I would be put on the second day even when I appeared. I was not put on as a carryover of the first contestants as is usual, but left until the very last, and only after the show was in progress, when I stated I definitely wanted to know why I was held over if I was not going to be on the show was I told I would be on the show. After my protest, I was escorted to the back of the stage. You were putting on an excellent act and I tried to put on a very good show, because in my opinion, after coming to New York and being told to report to the theater, etc., this show was not a production, but a racket. I was determined to see how far it existed.

You can hardly say the contestants were not told they could have a category, because just mentioning one in particular, who was told his category would be sports, and the second question asked him was one pertaining to grand opera. I am surprised that you would try to defend this conduct. I had hoped you would see the outsider's position and change the policy so as to have what I considered for the public's benefit a good legitimate show. You have given away about everything according to your own figures with the exception of the permit and licenses of the National Broadcasting Co. I certainly had nothing to gain by writing you, but what I consider a public service, which I shall continue to follow up, and the remarks of my being very anxious for a trip to Paris or a fur coat will certainly not hold as an excuse to bring something against a contestant to cover up what I believe to be a fraud.

I am sending your letter to the Federal Communications Commission as I promised and a copy of my letter to you. I am sending a copy of my original request to appear on your program along with this letter. At the proper time, I will request that a hearing be given and I am not canceling any of my intentions, as I will request an individual program hearing by the Harris committee of the House of Representatives after the first of the year. This is something I think should be brought out in the open. I intend to do everything in my power to see that such is accomplished.

Sincerely yours,

WALDRON E. LEONARD.

ALEXANDRIA, Va., October 22, 1952.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C.

GENTLEMEN: A few days ago I forwarded a letter regarding my personal experience and observation on the television program known as "The Big Pay-off." In that letter I stated I would submit any answer from my correspondence to the Walt Framer Production. I herewith submit their reply to my letter and copy of my final answer regarding their correspondence.

You will note they did not deny that the contestants were not picked as represented, that they were not rehearsed, but on the contrary admitted the interviews I referred to, and the only defense, which is very cheap, is that they felt I was soliciting them for the main prizes which would have no bearing on my charges whatever, but I have answered this ridiculous statement to the coproducer.

I request that you place this correspondence with that formerly sent your committee for consideration for a hearing at your convenience and that before license is issued for a station carrying this program, I be given an opportunity to be heard in opposition to a station being permitted to carry out before an audience of millions of people the facts which are not denied in their answer herein.

Sincerely yours,

WALDRON E. LEONARD.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., November 20, 1952.

Mr. WALDRON E. LEONARD,
Alexandria, Va.

DEAR SIR: The receipt is acknowledged of your letters of October 16 and 22, 1952, which refer to your recent experience on the television program entitled "The Big Payoff." You contend that the viewing audience is being misled as to the manner of selecting participants for the program and that the quality of the merchandise awarded is not as advertised.

Your views in this matter are appreciated and they have been noted with interest. However, as you can readily understand, the Commission is limited with respect to program content. This Commission can accomplish only those things which Congress has given us power to do, and we have not been given any authority to prescribe the content of any particular program or to say how or when it is to be presented. In fact, Congress has specifically said in section 326 of the Communications Act that we cannot censor. We do, however, periodically review the overall operation of station licensees in order to determine whether the obligation to operate in the public interest has been met.

Your correspondence will be associated with the appropriate Commission files.

Very truly yours,

T. J. SLOWIE, Secretary.

ALEXANDRIA, VA., November 25, 1952.

Mr. T. J. SLOWIE,
Secretary, Federal Communications Commission, Washington, D.C.

DEAR SIR: I appreciate your acknowledgment of my letters of October 16 and 22 regarding the television program "The Big Payoff." I made certain statements that I think you will agree I would have hesitated in making without cause and in their letter in answer to mine, which I sent you, they certainly did not deny any part of my correspondence of which I sent them a copy.

I certainly understand why the Federal Communications Commission cannot act as a censor except in some extreme cases, but this is a case spelled out of misrepresentation and I feel a fraud on the general public. It is certainly misleading and when I referred to it as a racket in my correspondence, they must have accepted the title because they certainly did not take the time to deny it.

I thought I was doing a public service in calling this to your attention and had hoped that you would be able as indicated in your last paragraph to review the charges with the National Broadcasting Co. I can understand that you did not want to be a policeman in such matters, because I presume you get hundreds of letters from cranks regarding their approval or disapproval of programs.

I detailed a situation of actual experience and certainly there should be no more consideration given for this kind of misrepresentation than for those who use the mails in presenting misleading promotions to the public. I certainly have more respect for the old patent medicine peddler who operated at the rear of a wagon in peddling Swamproot for all ailments, which has been discontinued by law than for such an outfit as this which is permitted to operate on such an extensive and responsible network. I understand that certain discussion and preparation is necessary, but as I pointed out this certainly goes far beyond any such counseling.

Thanking you for your correspondence, I am,

Sincerely yours,

WALDRON E. LEONARD.

The CHAIRMAN. The subcommittee will recess now until December 9.

At that time, during the session at that time, the subcommittee will meet and discuss its further responsibilities and actions in connection with the hearings it has closed now on the quiz shows.

But on that date I wish to announce that the subcommittee will also have Mr. Goldfine back in response to the decision of the court in the District of Columbia in order to get the answers to the questions which are referred to in that case.

With that, and with the thanks of the subcommittee to all of you, the subcommittee will now adjourn.

(Thereupon, at 12:30 p.m., the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, December 9, 1952.)

X

